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TOBACCO Situation

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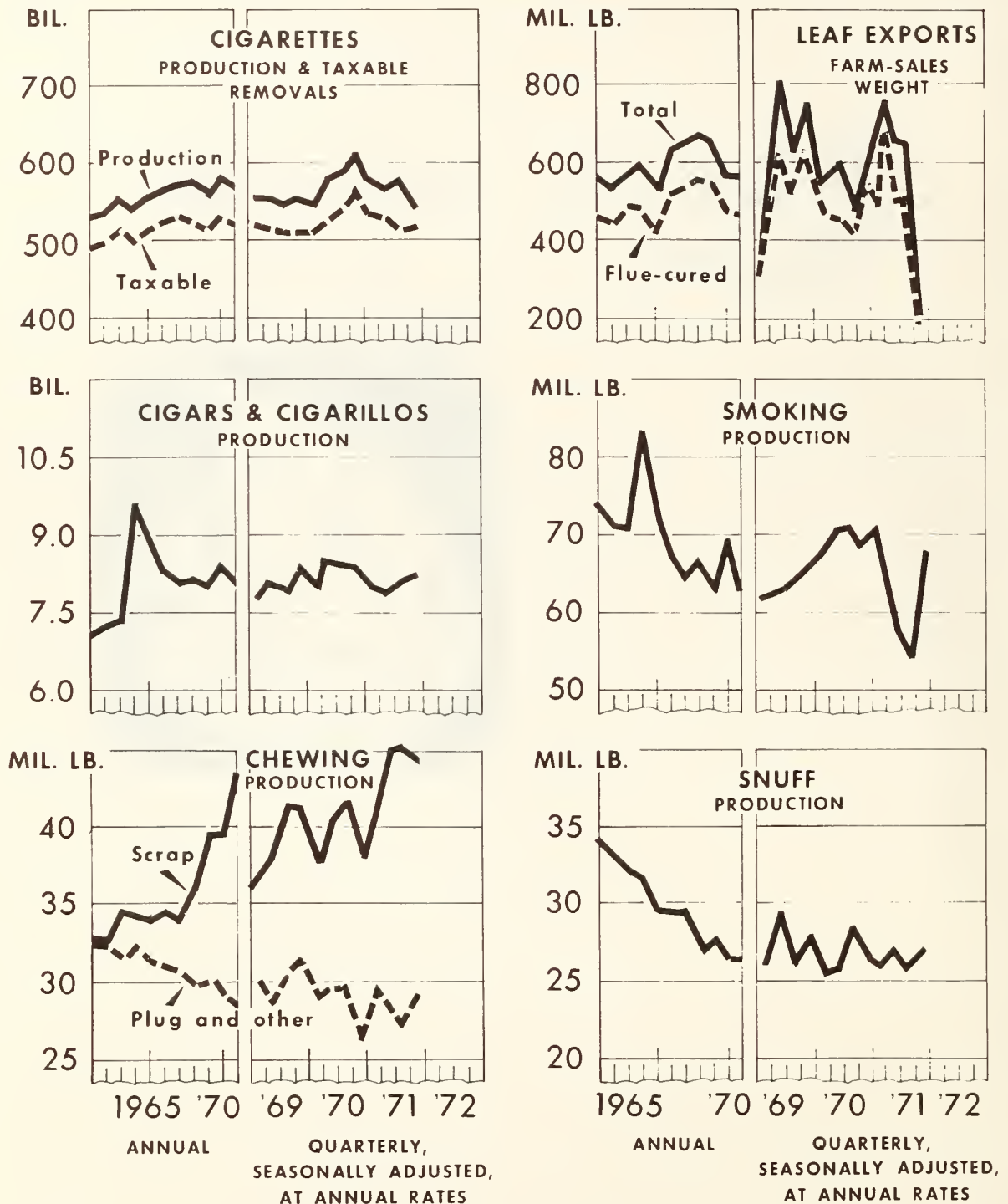
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TOBACCO OUTLETS

Recent Trends in Manufactured Products and Exports



THE TOBACCO SITUATION

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Approved by
The Outlook and Situation Board
and Summary released
December 15, 1971

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The *Tobacco Situation* is published in March, June,
September, and December.

SUMMARY

Despite a smaller tobacco crop and carryover this year, U.S. tobacco supplies remain sizable, only 2 percent below last marketing year. Tobacco use may total 4-5 percent below the 1.93 billion pounds of last season, but still exceed the 1971 crop of 1.8 billion. Thus, carryover at the close of the 1971/72 marketing year could decline slightly from the 3.7 billion pounds at the start.

The U.S. crop is turning out 6 percent below last year. Favorable weather increased flue-cured yields; burley yields declined. Flue-cured prices held up well the entire auction season. The burley auction markets opened in late November and prices are record high. Prices gains for burley and other tobaccos may continue in the first half of 1972.

Domestic use of tobacco this marketing year likely will total under last year's level. Even if output of cigarettes and other products changes little, manufacturers will likely continue to use less leaf tobacco per cigarette. Stiffer competition from cheaper foreign tobacco supplies is reducing U.S. tobacco exports 5-10 percent below last season's total.

Cigarette manufacturers have made steady unit sales gains throughout 1971. But with manufacturers drawing on last year's cigarette inventory buildup, U.S. output for calendar 1971 probably will total 3 percent below the 1970 record. In the year ahead, continued population gains will help nudge cigarette usage ahead.

U.S. exports of unmanufactured tobacco were heavy prior to this fall's East Coast dock strike. But the calendar year total will be a tenth below 1970's 511 million pounds (570 million pounds, farm-sales weight).

Movement of strike-delayed exports is expected to cause a bulge in first quarter shipments, but the 1972 calendar year total will do well to equal the 490 million-pound average that prevailed in 1961-65 prior to the U.N. embargo on Rhodesian trade. The 6-year dispute between the United Kingdom and Rhodesia is ending, so Rhodesia's exports may displace some U.S. tobacco in the year ahead. Cigarette manufacturers in the United Kingdom have substantially reduced stocks of U.S. leaf. The U.S. market share slipped in 1971 and may edge downward again in 1972. Use of U.S. leaf in West Germany and Japan has increased substantially this year; next year's level may not increase.

The 1971/72 flue-cured tobacco supply at 3.05 billion pounds is 3 percent below last year. Carryover

stayed about the same but growers sold 12 percent less this year. With buyer demand strong, auction prices averaged a record-high 77.2 cents per pound. Despite decreasing use, carryover in mid-1972 is expected to decline from the 1.98 billion pounds a year earlier.

The 1972 national marketing quota for flue-cured stays the same as 1971. The effective quota—reflecting adjustments for marketings above and below quota the previous year—is 1.06 billion pounds, also about the same as 1971.

The burley tobacco supply for 1971/72 is 1.87 billion pounds, slightly below last year. Carryover on

October 1, remained about the same. The 1971 burley crop, estimated at 527 million pounds, is down 6 percent. In the pre-Christmas sales period, three-fourths of the crop has been sold, averaging a record 80 cents per pound, 8 cents above last year.

Current supplies of fire-cured, Maryland, dark air-cured, and cigar types (except binder) are smaller than last season. Marketing quotas for several kinds of tobacco will be announced by February 1. Afterwards, growers of cigar binder and Ohio filler types will vote in referendums concerning quotas on their next 3 crops.

TOBACCO PRODUCTS

Fewer Cigarettes Produced

Domestic and export sales have continued to gain in 1971, but U.S. manufacturers have held cigarette output 3 percent below 1970 to use up last year's strike hedge inventory. Domestic consumption (taxable removals) takes about 91 percent of cigarette output; tax-exempt removals for exports and offshore shipments take the remainder. Population gains are pushing domestic consumption 3 percent above the 1970 level. Sales have gained despite the absence of broadcast advertising. On the other hand, the dock strike and U.S. troop shifts are dropping exports and shipments 10 percent (table 1). Domestic consumption next year may be up slightly from the 1971 level. It totaled about 407 billion cigarettes during January-September 1971, 4 percent above a year earlier. Consumption in the third quarter rose 4½ percent, a substantial boost following last year's climb. Seasonal sales patterns suggest that consumption continued to increase in the fourth quarter.

During January-October, cigarette exports increased, but shipments to Puerto Rico and U.S. possessions decreased. Other countries have continued a longtime growth in cigarette consumption.

Cigarette Price Rise Slows

In the face of higher State and local cigarette tax rates, retail cigarette prices have been averaging 4-4½ percent above those of a year ago. The consumer price index for all items is up 4 percent. Retail cigarette prices were unchanged between September and October. The Government's economic program is designed to slow the price rise across the economy.

Some 15 States and the District of Columbia increased cigarette tax rates in 1971. This compares with gains for 9 States in 1970 and 20 States and the District of Columbia in 1969. By October the weighted average States cigarette tax was 11.2 cents per pack, up from 10.7 cents a year earlier.

Phase II of the economic program began November 14, and the Price Commission announced a goal of holding price increases to no more than 2.5 percent annually. Price increases can be allowed that are justified on the basis of cost increases since

U.S. cigarette exports to leading destinations, 1970-71

Country	1970	January-October	
		1970	1971 ¹
		Millions	
Hong Kong	3,167	2,512	3,213
Spain	1,745	1,370	2,356
Kuwait	1,183	1,038	853
Netherlands Antilles	1,406	1,248	1,326
Paraguay	574	558	520
France	295	264	220
West Germany	750	598	650
Italy	804	690	603
Ecuador	382	213	862
Panama	1,222	1,160	1,464
Canary Islands	875	721	739
Lebanon	496	425	1,492
Other countries	16,248	13,963	14,199
Total	29,147	24,760	28,497

¹ Subject to revision.

Compiled from publications and records of the Bureau of the Census.

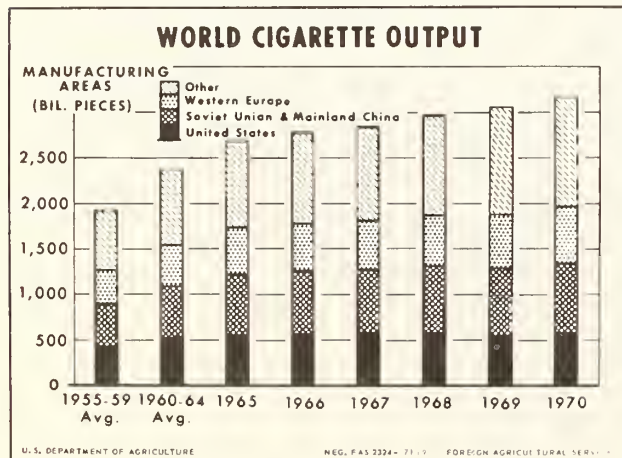


Table 1.--Cigarettes: Output, removals, and consumption, 1962-71

Year	Output	Removals					Total
		Taxable	Tax-exempt			U.S.	
			Total	Exports	Puerto Rico and U.S. possessions	Overseas forces 1/	consump- tion 2/
<u>Billions</u>							
1962	535.5	494.5	41.1	24.1	3.1	13.9	508.4
1963	550.6	509.6	41.1	23.6	3.2	14.3	523.9
1964	539.9	497.4	42.6	25.1	3.7	13.8	511.2
1965	556.8	511.5	44.2	23.1	3.9	17.2	528.7
1966	567.3	522.5	46.1	23.5	3.9	18.7	541.2
1967	576.2	527.8	49.0	23.7	3.9	21.4	549.2
1968	579.5	523.0	53.8	26.5	4.7	22.7	545.7
1969	557.6	510.5	47.1	25.0	3.7	18.4	528.9
1970	583.2	532.8	51.2	29.1	3.7	18.4	3/536.4
1971 4/	568.0	521.0	47.0	31.0	3.0	13.0	548.0

1/ Also includes ship stores and small tax-exempt categories. 2/ Taxable removals plus overseas forces. 3/ Excludes estimated inventory changes. 4/ Estimated.

Compiled from reports of Internal Revenue Service and Bureau of the Census.

Table 2.--Cigars and smoking tobacco: Output, removals, and consumption, 1964-71

Year and item	United States factories			From	Imports	Exports	Total U.S. consumption <u>1/</u>
	Output	Removals		Puerto Rico taxable			
		Taxable	Tax- exempt				
<u>Millions</u>							
Large cigars <u>2/</u>							
1964	8,736	8,106	193	809	28	44	9,092
1965	7,899	7,577	180	911	25	55	8,638
1966	7,165	7,076	193	1,075	25	73	8,296
1967	6,858	6,845	197	1,099	30	76	8,095
1968	7,183	6,759	169	1,036	48	66	7,946
1969	6,931	6,739	169	1,080	45	65	7,968
1970 <u>3/</u>	7,091	6,701	162	1,259	46	54	8,114
1971 <u>4/</u>	6,800	6,550	120	1,200	55	55	7,950
<u>Million pounds</u>							
Smoking tobacco							
1964	82.4	79.0	3.4	---	2.7	1.4	83.7
1965	71.8	67.3	3.0	---	2.1	1.0	71.4
1966	67.3	65.3	1.5	---	3.3	.9	69.2
1967	64.8	62.7	2.0	---	3.7	1.3	67.1
1968	66.3	64.1	1.9	---	5.5	1.8	69.7
1969	63.9	62.6	1.6	---	5.7	1.1	68.8
1970	69.4	65.6	1.5	---	8.4	.9	74.6
1971 <u>4/</u>	62.0	61.6	1.4	---	7.7	1.2	69.5

1/ Total removals (or sales) from U.S. factories plus those from Puerto Rico, and imports, minus exports. 2/ Includes cigarillos. 3/ Subject to revision. 4/ Estimated.

Compiled from reports of the Internal Revenue Service, Bureau of the Census, and Consumer and Marketing Service, USDA.

November 14, taking into account productivity gains. To monitor and restrain price and wage increases during Phase II, the Cost of Living Council established a 3-tier system for reporting, pre-notification, and other procedures. Firms with annual sales of \$100 million or more must notify the Price Commission on proposed price adjustments and obtain approval of the Commission before making changes.

Cigar Volume Declines

In the third quarter cigar consumption (including cigarillos) dropped 4 percent below a year earlier, after running 1 percent below in the first and second quarters. Thus, the 1971 total is expected to be below a year earlier (table 2). U.S. smokers (including those overseas) smoked 5.9 billion cigars and cigarillos in January-September, 2 percent below a year earlier. U.S. output was down 5 percent, but shipments from Puerto Rico gained a little. This year's smaller sales are mostly in the Class C category (cigars retailing from over 4 to 6 cents each). The longtime trend is up, so total consumption may gain in 1972.

Cigars: Taxable removals by revenue class, January-September 1971

Revenue class and retail price	Number	Change from 1970
	<i>Billion</i>	<i>Percent</i>
A-D (up to 8 cents)	3.79	-2.6
E (over 8 to 15 cents)	1.62	+1.0
F-G (over 15 cents) . . . . .	.37	-4.1
Total removals	5.79	-1.7

The 1971 taxable removals of small cigars (about cigarette-size and weighing not over 3 pounds per 1,000) may total one-sixth above the 889 million cigars in 1970. With this jump, 1971 consumption may top the unusually high 1964 figure.

Tobacco products: Output, 1969-71

Item	1969	1970	1971 ¹
	<i>Million pounds</i>		
Chewing tobacco			
Plug	23.3	22.0	21.0
Twist	2.5	2.4	2.4
Fine-cut	4.5	4.8	5.1
Scrap	39.5	39.5	43.5
Total	69.8	68.9	72.0
Snuff	27.6	26.5	26.5
Smoking tobacco in bulk (exports)	20.3	24.1	27.0
	<i>Million</i>		
Small cigars	720	928	1,050

¹ Estimated.

Basic data compiled from reports of the Internal Revenue Service and Consumer Marketing Service, USDA.

Third Quarter Sales Mixed for Other Products

Declines in domestic cigarette cut tobacco sales and the fourth quarter dock strike are dropping 1971 smoking tobacco disappearance 7 percent below 1970 to the level prevailing in 1969. Following 1971's inventory adjustment, output and sales may gain in 1972.

Domestic use of smoking tobacco—including imports—through September totaled 52.4 million pounds, 4 percent below a year earlier. Sales of cigarette cut tobacco for roll-your-own cigarettes remain at a high level. Pipe tobacco sales are down; wholesale prices average above a year ago.

Loose leaf chewing tobacco output and sales continued to gain in the third quarter, but plug and twist were below the third quarter last year. The 1971 chewing tobacco production may top last year's figure by 4 percent. The gain for loose leaf chewing tobacco is 10 percent; plug tobacco is down 5 percent. Snuff sales remained about the same in the third quarter as a year earlier. Production for 1971 is estimated unchanged from 1970.

U.S. bulk smoking tobacco exports to leading destinations, 1970, January-October 1970-71

Country	1970	January-October	
		1970	1971
	<i>Million pounds</i>		
Italy	4.5	3.1	0.8
Dominican Republic	1.8	1.8	1.7
Switzerland	3.0	1.4	4.4
Netherlands	3.7	2.7	3.6
Spain	1.8	1.3	1.8
Peru . . . . .	.4	.2	1.2
Ecuador . . . . .	.8	.5	.6
Bolivia . . . . .	.8	.7	.3
Australia	2.0	1.8	1.5
Other countries	5.1	4.4	8.5
Total	24.1	17.9	24.4

U.S. EXPORTS AND IMPORTS

Dock Strike Dims a Previously Good Export Season

Exports of unmanufactured tobacco this year through September ran 27 percent above a year earlier. Beginning October 1, the East and Gulf Coast dock strike brought exports to a virtual standstill. Exports resumed November 29, following the Taft-Hartley Act injunction, and strike-delayed shipments are expected to boost exports temporarily. But the 1971 total may drop one-tenth below last year's 511 million pounds.

U.S. leaf tobacco exports in January-October 1971 were 10 percent above the same period a year earlier, but 3 percent below 2 years ago. An increase in exports of flue-cured—the principal export class—accounted for

most of this year's gain. Fire-cured, dark air-cured, and cigar wrapper shipments also advanced. Those of Maryland and Black Fat declined. Burley exports stayed about the same; overseas burley production surged further ahead in 1971. Third quarter exports were inflated as exporters moved shipments ahead of the dock strike (tables 3 and 4).

U.S. exports of unmanufactured tobacco by major markets indicate that the European Community boosted takings substantially through October of this year over the same period last year. EC cigarette sales have surged, particularly in brands containing high proportions of U.S. leaf. U.K. manufacturers further reduced inventories of U.S. leaf. Outside the United Kingdom and the EC, U.S. exports remained about the same as last year.

Rhodesia-U.K. Accord Dampens U.S. Prospects¹

Rhodesian and U.K. officials in November negotiated the terms of an agreement that would end their 6-year old political dispute. Both Parliaments are expected to ratify the agreement. Rhodesia would then regain Commonwealth status and trade would follow. The continuation of U.N. sanctions would come under review. With a considerable stockpile of tobacco, Rhodesia's exports could cut into U.S. trade in the second half of 1972. U.K. manufacturers purchased less of this year's U.S. crop. In the EC and Japan, Rhodesia could provide stiff competition for U.S. exports. So next year's U.S. exports may not gain from this year's strike-reduced level.

Before 1966, Rhodesia expanded flue-cured tobacco production rapidly and was the major U.S. competitor in foreign markets. Rhodesian exports increased from around 100 million pounds in the early 1950's to 265 million pounds in 1965, at prices considerably under U.S. levels. By 1970, Rhodesia's exports had fallen to an

estimated 70 million pounds. However, an estimated 300 million pounds is in storage ready for the export trade.

Tobacco Imports Jumped in September

Through August this year, U.S. tobacco imports for consumption (duty paid imports) totaled about the same as a year earlier. September imports jumped more than 3 times the September 1970 level when manufacturers withdrew tobacco from bonded warehouses before the 10 percent surcharge on imports became effective October 1. The surcharge was proclaimed on August 15, but an exemption applied for merchandise imported prior to August 16 which was (1) aboard ships tied up by the West Coast dock strike; (2) intransit aboard ships on August 15; or (3) already in the United States, if the merchandise was withdrawn prior to October 1 (table 5).

A ruling on September 29 exempted tobacco stored in bonded warehouses before August 16 from the surcharge, provided the tobacco owner filed a certificate of warehouse withdrawal by October 1. The tobacco can be physically withdrawn after October 1 with import duty paid at the time of withdrawal.

With lower cigarette output this year, factory use of imports may have declined slightly. Use in 1972 may rise again because manufacturers are expected to step up use of foreign cigar tobacco and cigarette scrap. With this trend, oriental leaf use may continue to slacken.

January-October 1971 general imports of tobacco (total arrivals, direct entires, plus that placed in bonded warehouses to be later withdrawn for factory use) were below the year-earlier level. Both cigarette leaf tobacco and cigar tobacco declined.

With declining imports and steady utilization, U.S. stocks of foreign-grown cigarette and smoking tobacco on October 1, 1971, totaled 367 million pounds (farm-sales weight). This was 9 percent below the record high for that period a year earlier.

TOBACCO LEAF SITUATION AND OUTLOOK²

1971 Crop Highlights

The U.S. tobacco crop now being sold is about 6 percent smaller than last year. It about equals that forecast earlier in the season. Prospects for flue-cured improved as the season progressed but burley declined. Burley output was down due to the shift to poundage allotments and wet weather for growing and curing. The all-tobacco yield averaged 2,098 pounds per acre this season, compared with 2,122 pounds last season and the 1965-69 average of 1,958 pounds. Acres harvested totaled 851,340, or 5 percent below last year.

Reduced flue-cured and burley crops and smaller carryovers of most other types means reduced supplies

available for the 1971/72 marketing year. Prices for the season will likely average 4 percent above 1970/71 to a record-high. With the brisk demand, volume of tobacco placed under loan this season is turning out the smallest since World War II.

Farmers' cash receipts from tobacco in calendar 1971 are totaling about the same as the \$1.39 billion in 1970. The smaller volume of tobacco is selling at record-high prices. Little change in sales volume is expected in 1972, but support levels will rise, as required by law.

¹"Rhodesian-U.K. Accord Could Have Severe Impact On Tobacco Trade," *Foreign Agriculture*, Dec. 13, 1971 p. 8.

²All quantities in this section are stated in farm-sales weight equivalent unless otherwise noted.

Table 3.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)								
Country and type	:	:	:	:	: January-October :		1971 as a percentage of 1970	
	Average	1968	1969	1970	1970	1971		
	1963-67			<u>1/</u>	<u>1/</u>	<u>1/</u>		
	:	Million pounds			Percent			
Flue-cured	:	400.0	443.5	429.6	368.2	266.1	295.3	111
Burley	:	46.8	42.8	52.0	41.4	34.4	35.1	102
Maryland	:	11.8	13.8	10.4	11.8	10.2	8.3	81
Fire- and sun-cured	:	24.4	25.5	25.5	24.2	19.8	21.3	108
Green River	:	.8	.5	.4	.3	.3	1.1	367
One Sucker	:	.7	1.0	.4	.5	.4	.5	125
Black Fat, etc.	:	3.9	2.5	1.1	2.7	2.3	2.0	87
Cigar wrapper	:	4.4	4.6	2.2	1.6	1.3	2.3	177
Cigar binder	:	1.7	2.2	.9	.3	.2	.1	50
Cigar filler	:	.9	.6	.6	.4	.4	.2	50
Perique	:	.3	.2	.1	.2	.1	.1	100
Stems, trimmings, and scrap	:	26.5	61.5	54.1	58.8	39.4	45.0	114
Total	:	522.2	598.8	577.5	510.3	375.0	411.3	110
Country of destination	:							
United Kingdom	:	124.9	146.7	134.2	95.4	64.3	59.3	92
France	:	6.7	6.9	8.6	9.0	7.2	7.5	104
Belgium	:	17.5	20.1	17.4	12.4	9.5	15.0	158
Netherlands	:	33.8	44.0	33.6	26.6	23.9	26.4	110
West Germany	:	92.9	88.6	102.2	92.6	77.5	97.5	126
Portugal	:	5.4	4.6	6.3	4.9	4.5	2.7	60
Denmark	:	15.1	19.2	19.1	18.1	16.0	14.2	89
Ireland	:	12.8	15.0	10.5	10.2	8.9	8.4	94
Switzerland	:	15.5	24.8	26.4	24.7	21.2	16.8	79
Finland	:	6.3	5.5	5.9	5.0	4.5	4.2	93
Norway	:	7.7	9.7	7.2	8.1	6.6	3.8	58
Sweden	:	16.0	16.9	13.9	19.5	15.7	14.0	89
Italy	:	8.1	5.0	19.5	3.1	3.1	16.4	529
Spain	:	3.4	5.5	4.1	3.0	3.0	5.2	173
Thailand	:	14.6	28.9	24.3	20.1	13.0	18.9	145
S. Vietnam	:	10.2	10.4	10.8	10.8	8.9	16.6	187
Malaysia 2/	:	6.8	10.9	10.9	11.8	9.6	10.2	106
Hong Kong	:	6.8	5.6	4.2	4.3	3.0	2.5	83
Japan	:	33.9	48.8	40.9	58.6	11.9	9.6	81
Australia	:	16.3	19.7	20.2	10.2	8.0	8.0	100
New Zealand	:	3.8	5.9	2.5	5.0	4.0	3.6	90
Egypt	:	12.4	.6	2.6	.6	.6	1.2	200
Other countries	:	51.2	55.3	52.2	56.3	50.0	49.5	99
Total	:	522.2	598.8	577.5	510.3	375.0	411.3	110

1/ Preliminary.

2/ Malaysia and Singapore.

Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of the Census.

Table 4.--United States exports of unmanufactured tobacco by types, to principal importing countries, crop years, 1968/69-1970/71 1/

Importing countries	1968- 1969	1969- 1970	1970- 1971 2/
<u>Million pounds</u>			
<u>Flue-cured, types 11-14</u>			
United Kingdom	96.6	111.3	95.1
West Germany	90.0	67.8	88.4
Japan	31.1	39.1	41.2
Netherlands	24.0	17.9	15.6
Thailand	20.7	18.0	21.4
Australia	14.8	16.5	10.4
Italy	4.7	11.5	9.8
Other countries	135.7	132.0	132.1
Total	417.7	414.1	414.0
<u>Burley, type 31</u>			
Italy	3.8	6.5	5.4
Sweden	2.4	2.0	4.9
Denmark	2.3	3.8	2.4
Netherlands	2.6	.8	1.4
Belgium	2.0	.9	1.3
West Germany	13.0	10.2	12.7
Switzerland	4.1	5.3	2.8
Portugal	2.1	2.0	.1
Thailand	3.1	3.7	1.8
Philippine Republic	3.3	3.9	1.9
Other countries	7.2	8.5	9.2
Total	45.7	47.7	44.0
<u>Maryland, type 32</u>			
Belgium	.9	1.4	1.5
West Germany	2.8	2.0	1.6
Switzerland	4.5	7.2	6.9
Portugal	1.2	.5	.2
Other countries	.6	.7	1.1
Total	9.9	11.7	11.4
<u>Va. fire and sun-cured, types 21, 37</u>			
Sweden	.3	.4	.6
Norway	1.4	2.1	2.1
United Kingdom	.5	.5	.2
West Germany	.6	.9	.3
Other countries	1.2	.5	1.5
Total	4.0	4.3	4.8
<u>Ky.-Tenn. fire-cured, types 22-23</u>			
Sweden	.8	.2	.2
Netherlands	7.3	10.6	12.5
Belgium	1.5	1.2	1.5
France	3.3	2.4	2.8
Switzerland	1.2	1.3	.9
Other countries	3.3	5.4	6.7
Total	17.4	21.2	24.6
<u>Stems, Trimmings, and Scrap</u>			
Sweden	1.8	8.1	5.2
Denmark	2.2	3.5	3.3
United Kingdom	25.0	12.4	14.8
West Germany	3.6	5.4	6.8
Other countries	21.2	26.5	39.3
Total	53.8	55.8	69.4

Importing countries	1968- 1969	1969- 1970	1970- 1971 2/
<u>Thousand pounds</u>			
<u>One Sucker, type 35</u>			
:Belgium	5	226	216
:South Vietnam	526	0	19
:Tunisia	0	55	0
:Other countries	258	300	407
Total	789	581	642
<u>Green River, type 36</u>			
:United Kingdom	161	95	108
:Australia	146	23	25
:Congo (Kinshasa)	127	196	74
:Other countries	49	14	3/859
Total	483	328	1,066
<u>Cigar Filler, types 41-44</u>			
:Canada	384	103	16
:France	262	370	90
:South Vietnam	115	0	0
:Other countries	2	94	94
Total	763	567	200
<u>Conn. Binder, types 51-52</u>			
:West Germany	182	129	88
:Spain	0	0	0
:Canary Islands	64	59	22
:Other countries	74	64	134
Total	320	252	244
<u>Wis. Binder, types 54-55</u>			
:Netherlands	74	38	56
:West Germany	0	0	0
:Spain	189	191	0
:Canary Islands	50	0	0
:Other countries	39	1	6
Total	352	230	62
<u>Cigar Wrapper, types 61-62</u>			
:Canada	456	368	441
:United Kingdom	424	44	248
:West Germany	918	478	374
:South Vietnam	429	216	0
:Canary Islands	475	161	80
:Other countries	752	408	529
Total	3,454	1,675	1,672
<u>Black Fat</u>			
:Cameroon	239	498	510
:Ghana	0	0	0
:Togo	43	521	457
:Nigeria	178	210	575
:Western Africa, n.e.c.	447	1,020	914
:Other countries	257	283	184
Total	1,164	2,532	2,640

1/July-June crop year for flue-cured and cigar wrapper, and October-September crop year for all other types. 2/Subject to revision. 3/Includes West Germany, 761,000 pounds. Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of the Census.

Table 5.--U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, 1970 and January-October 1970-71 ^{1/}

(Declared weight)								
Classification and country of origin	Imports for consumption				General imports (arrivals)			
	January-October				January-October			
	Total 1970	1970	1971	:1971 as a percentage of 1970	Total 1970	1970	1971	:1971 as a percentage of 1970
	Million pounds			Percent	Million pounds			Percent
<u>Cigarette tobacco:</u>								
Leaf, unstemmed								
Oriental								
Turkey	91.0	76.8	88.9	116	73.2	63.0	68.9	109
Greece	28.7	24.6	24.8	101	18.4	15.7	17.0	108
Yugoslavia	15.8	13.6	19.6	144	19.2	18.8	12.4	66
Other countries	6.3	5.4	9.7	180	14.8	10.9	10.6	97
Flue-cured and burley	7.8	7.7	3.8	49	18.3	15.4	8.4	55
Sub total	149.6	128.1	146.8	115	143.9	123.8	117.3	95
<u>Scrap</u>								
Turkey	10.7	9.5	8.4	88	8.7	6.9	2.7	39
Other countries ^{2/}	4.2	3.2	7.4	231	1.8	1.8	2.9	161
Total	164.4	140.7	162.6	116	154.4	132.5	122.9	93
<u>Cigar tobacco:</u>								
Wrapper	.8	.7	.8	114	1.7	1.5	1.0	67
Filler--stemmed and unstemmed								
Dominican Republic	1.2	1.1	1.3	118	7.6	6.0	8.4	140
Other countries	4.4	4.0	4.5	113	29.9	27.4	24.7	90
Sub total	5.7	5.1	5.8	114	37.5	33.5	33.1	99
<u>Scrap</u>								
Philippine Republic	22.3	19.2	25.4	132	18.4	15.9	14.9	94
Colombia	4.4	3.9	3.8	97	0	0	1.0	---
Dominican Republic	6.6	5.6	5.6	100	1.4	1.2	1.1	92
Brazil	3.8	3.2	3.0	94	.5	.4	.5	125
Other countries	10.3	8.5	9.8	115	4.6	3.6	3.3	92
Sub total	47.3	40.4	47.7	118	24.9	21.1	20.8	99
Total	53.8	46.2	54.3	118	64.0	56.0	55.0	98
Stems	.4	.3	.4	133	.3	.3	.1	33
Grand total	218.6	187.2	217.4	116	218.8	188.8	178.0	94

^{1/} Preliminary.

^{2/} Canada, Greece, Cyprus, Lebanon, India, Korea.

Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of the Census.

U.S. tobacco: Acreage and yield, 1969-71

Type	Acreage				Yield per acre			
	1969	1970	1971	Change from 1970	1969	1970	1971	Change from 1970
	<i>1,000 acres</i>		<i>Percent</i>		<i>Pounds</i>		<i>Percent</i>	
Flue-cured								
11—Old and Middle Belt, VA.—N.C.	204.0	201.0	194.0	-3.5	1,771	1,845	1,872	1.5
12—Eastern N.C.	185.0	187.0	163.0	-12.8	1,895	2,235	2,225	.4
13—S.C.—Border N.C.	116.0	117.3	108.5	-7.5	1,932	2,103	2,200	4.6
14—Georgia—Florida	71.8	78.8	70.7	-10.3	1,628	1,999	1,944	-2.8
Total, types 11-14	576.8	584.1	536.2	-8.2	1,825	2,042	2,055	.6
Burley, type 31	237.7	216.4	217.0	.3	2,488	2,590	2,431	-6.1
Total, all types 11-72	919.9	898.3	851.3	-5.2	1,961	2,122	2,098	-1.1

QUOTAS, ALLOTMENTS, AND PRICE SUPPORT

1972 Marketing Quotas and Allotments

The 1972 national quota for flue-cured tobacco is virtually unchanged, but individual farm quotas are adjusted for over or undermarketings in 1971. By February 1, USDA will announce the 1972 marketing quotas for burley and several other kinds of tobacco. Shortly after the announcement, growers of cigar binder and Ohio filler types will vote in referendums for or against acreage allotments on their next 3 crops. If at least two-thirds of the voters approve, marketing quotas will stay in effect.

For flue-cured, burley, fire-cured, dark air-cured, and sun-cured types, farmers approved marketing quotas applicable to the 1972 crop in previous referendums. Government price support is not available for Maryland and Pennsylvania filler tobacco crops since growers have turned down marketing quotas.

Public Law 92-144, approved October 23, authorizes the sale, lease and transfer of fire-cured (type 21) and sun-cured (type 37) tobacco farm acreage allotments across county lines in the same State. These 2 types of tobacco are grown only in Virginia. Production of these types has been substantially below recent disappearance. The new legislation will provide more flexibility in the tobacco marketing quota programs by enabling farmers with the resources to increase production. USDA favors lease, sale, and transfer of marketing quotas across county lines in the same State for all kinds of tobacco.

1972 Price Support Levels

Price supports for eligible 1972 tobacco crops are expected to rise 5 percent above the 1971 price support level—some 31 percent above the 1959 level. As required by law, the 1972 price support adjustment will be based on the average of the parity index in 1969, 1970, and

1971 compared with 1959. As in past years, USDA probably will announce average support levels by types in the spring and individual grade loan rates later.

FLUE-CURED

With about the same size carryover and a smaller crop, the flue-cured supply for 1971/72 is 3 percent below last season. Both exports and domestic disappearance probably will decline, but the total will exceed the 1971 crop. So the carryover by next July is expected to decline slightly. For next season's crop, the poundage quota, allowing for under and overmarketings, remains about the same as this past season. Such a crop, added to carryover, would provide a supply next season some 2 percent below 1971/72.

1971 Auction Prices Surge Ahead

The 1971 flue-cured crop brought record prices, breaking 1969's previous record. Sales volume was down, so crop value dropped slightly. Industry takings dropped a little but government loan placements dipped sharply with the smaller crop.

The 1971 flue-cured auction season ended November 30, although 95 percent of the crop was sold by the end of October. Prices held up well the entire season. The season average price for gross sales (including resales) was 77.2 cents per pound—up 5.3 cents from last year's average. The average gained in all belts, ranging from 2.5 cents higher in type 14 to 7.2 cents in type 11 (table 6).

Producers' sales (allowing for resales and duplicate sales) were below the average of the previous 6 years under the acreage-poundage program. Sales totaled 1,076 million pounds—about 102 million less than in 1970. The crop consisted of a larger proportion of better grades. Color and maturity were improved. Sales include an estimated 15.5 million pounds of 1970 crop carried over on farms, but exclude farm carryover for sale next season.

Table 6.--Flue-cured tobacco: Gross sales (including resales) average price and loan receipts by Belt, 1967-71

Marketing season	Old Belt type 11 (a)	Middle Belt type 11 (b)	Eastern N. C. Belt type 12	N.C. Border and S.C. Belt type 13	Ga.-Fla. Belt type 14	All Belts
<u>Million pounds</u>						
1967	260	152	359	322	224	1,317
1968	202	110	295	268	164	1,039
1969	235	116	321	266	157	1,096
1970	230	130	367	295	201	1,224
1971 <u>1/</u>	217	117	322	268	181	1,106
<u>Average price per pound</u>						
<u>Cents</u>						
1967	61.9	62.7	64.7	65.0	65.6	64.1
1968	64.8	64.0	67.5	66.8	68.3	66.5
1969	71.3	71.4	72.3	72.6	73.3	72.2
1970	70.1	70.0	72.7	71.7	74.3	71.9
1971 <u>1/</u>	77.3	77.2	78.4	75.8	76.8	77.2
<u>Receipts under Government loan</u>						
<u>Million pounds</u>						
1967	84.5	49.7	79.8	57.2	11.0	282.1
1968	36.0	26.9	24.3	29.5	12.0	128.8
1969	24.2	14.9	37.3	13.3	8.0	97.6
1970	29.7	19.8	43.3	28.8	22.7	144.2
1971 <u>1/</u>	9.2	5.4	19.2	15.5	6.4	55.8
<u>Percentage of net sales under Government loan</u>						
<u>Percent</u>						
1967	34.1	34.2	23.0	19.0	5.3	22.6
1968	18.8	25.3	8.5	11.5	7.8	12.9
1969	10.8	13.4	11.9	5.2	5.4	9.3
1970	13.4	15.8	12.1	10.2	11.9	12.2
1971 <u>1/</u>	4.4	4.8	6.1	6.0	3.7	5.2

1/ Preliminary.

Growers placed 5 percent of sales under government loan this season. Loan volume was the lowest since 1960. The Flue-cured Stabilization Cooperative, the association handling loan stock tobacco, sold 113 million pounds in October, a record monthly sale. This tobacco is expected to move into trade channels by mid-1972. At the beginning of 1972, loan holdings are about 20 percent below the 847 million pounds of a year earlier.

Marketing Conditions More Favorable

Again this season the Flue-cured Tobacco Marketing Committee recommended opening dates and set selling times. Weekly marketings were held below last season to align more closely with redrying plant capacity. Growers sold about 10 percent of their crop outside the State where produced. Booking of warehouse space and scheduling of deliveries helped reduce long waiting for growers. Resales have declined for several years and were the lightest on record, averaging 2.9 percent of gross sales.

Growers sold virtually all tobacco in untied form (loose leaf) and only 232,983 pounds tied. Tied tobacco averaged \$1.07 per pound.

Exports Halted In October

Due to the dock strike beginning in October, flue-cured exports for July-October 1971 were one-seventh below a year earlier. Two leading destinations, West Germany and Thailand, took more than the low levels of a year earlier. The United Kingdom registered a sizable decline. Nontraditional exporters are supplying more lower price tobacco to U.K. markets. U.S. exporters will probably have difficulty overcoming the July-October deficit during the rest of the marketing year. So the season's total by June may run a tenth below last season's 533 million pounds

U.S. flue-cured tobacco exports principal countries, 1969-71

Country	(export weight)		
	July-October		
	1969	1970	1971
	<i>Million pounds</i>		
United Kingdom	51	31	12
West Germany	29	27	29
Japan	5	4	5
Netherlands	7	7	6
Ireland	4	3	1
Thailand	11	8	11
Australia	7	4	3
Belgium	4	3	4
Denmark	5	3	3
Switzerland	4	4	2
Sweden	6	7	5
South Vietnam	1	3	5
All others	23	20	21
Total*	157	124	107

*Based on unrounded data.

Supplies Steady in 1971/72

With about the same size carryover, the smaller 1971 crop means the flue-cured supply of 3,052 million pounds is about 3 percent below last year and 19 percent below the 1964/65 record (table 7). The 1971 crop was 7½ percent smaller. Harvested acreage in 1971 decreased 8 percent but the average yield per acre increased 1 percent.

Disappearance this season will likely fall short of last season's level. But with the smaller crop, July carryover may fall some 40 million pounds below last July.

1972 Quota Unchanged

USDA announced on November 26 the flue-cured quota of 1,071 million pounds, virtually unchanged from 1971. Acreage allotments and poundage quotas for individual farms will reflect 1971 undermarketings,

Flue-cured tobacco: Marketing quota, over- and under marketings, effective quota, 1965-72

Year	Quota		Marketings				Net Carryover
	Basic	Effective	Actual	Over	Under	Effective-under	
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
1965	1,126.0	1,124.4	1,055.5	27.1	96.0	⁽¹⁾	68.8
1966	1,126.0	1,199.0	1,107.9	35.0	126.1	⁽²⁾	91.1
1967	1,126.0	1,202.4	1,247.5	77.9	32.8	30.8	-47.1
1968	1,126.5	1,067.9	996.3	26.5	98.1	96.6	70.0
1969	1,127.1	1,187.0	1,052.1	26.6	161.5	157.9	131.3
1970	1,071.0	1,190.8	1,178.2	65.1	77.6	71.2	6.1
1971 ³	1,071.4	1,076.4	1,075.8	⁴ 3.6			-8.1
1972 ³	1,071.2	1,063.1					

¹Not applicable. ²Not available. ³Subject to revision.

⁴Overmarketings minus undermarketings.

Compiled from records of Tobacco Division, ASCS.

Table 7.--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods.

(Farm-sales weight)							
Year	Production	Stocks, July 1	Supply	Disappearance 1/			
				Total	Domestic	Exports	
Million pounds							
1960	1,251	2,106	3,357	1,267	792	475	
1961	1,258	2,090	3,348	1,267	782	485	
1962	1,408	2,081	3,489	1,208	777	431	
1963	1,371	2,282	3,653	1,267	769	498	
1964	1,388	2,386	3,774	1,219	775	444	
1965	1,059	2,555	3,614	1,175	752	423	
1966	1,108	2,439	3,547	1,274	687	587	
1967	2/1,250	2,273	3,523	1,221	687	534	
1968	2/996	2,302	3,298	1,198	673	525	
1969	1,053	2,100	3,153	1,181	646	535	
1970	2/1,178	1,972	3,150	1,174	641	533	
1971 3/	2/1,076	1,976	3,052				
	Average price per pound	Price support level 4/	Placed under Government loan		Remaining in Government loan stocks on November 30, 1971 5/		
			Quantity	Percentage of crop			
	Cents		Million pounds	Percent	Million pounds		
1960	60.4	55.5	51.8	4.1	0		
1961	64.3	55.5	70.3	4.6	0		
1962	60.1	56.1	237.2	16.8	0		
1963	58.0	56.6	277.2	20.2	41.4		
1964	58.5	57.2	285.6	20.7	16.9		
1965	64.6	57.7	71.5	6.8	29.3		
1966	66.9	58.8	74.6	6.8	51.8		
1967	64.2	59.9	282.1	22.6	182.9		
1968	66.6	61.6	128.8	12.9	85.2		
1969	72.4	63.8	97.6	9.3	73.4		
1970	72.0	66.6	144.2	12.2	122.2		
1971	3/77.2	69.4	*55.8	*5.2	*55.8		
Total	---	---	*1,776.7	---	*658.9		

^{1/} Year beginning July 1. ^{2/} Sales. ^{3/} Subject to revision. ^{4/} For 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. ^{5/} As reported by Flue-cured Tobacco Cooperative Stabilization Corp.; the unstemmed loan stocks on the packed-weight basis average about 11 percent less than farm-sales weight figures.

* Includes quantities received from marketings through November 30, when season ended.

overmarketings, and other required adjustments. Aggregate marketings this past season were closest to the effective quota since the acreage-poundage program began in 1965. The base quota minus net overmarketings gives an effective 1972 quota of about 1,063 million pounds, about 1 percent below 1971. A crop at this level, added to prospective carryover, would provide a 1972/73 supply around 2 percent under this year's.

BURLEY

Record Auction Prices

Auction sales of the 1971 burley crop began November 22 and closed for the holidays December 16. Gross sales totaled about 405 million pounds and averaged 80 cents a pound, 8 cents over the comparable period last year. Growers sold about three-fourths of the crop in the pre-Christmas sales, less than the proportion last season. Dry weather held up stripping and delivery to markets. Sales resume early in January.

Prices opened at record levels and continued to advance through the first 4 weeks. General quality is reported to be higher, with more thin-bodied tobacco. Better grades are selling 1 to 2 cents per pound above support levels and about 2 cents above last year. Some leaf and tip grades are as much as 10 cents higher.

Grade loan rates range from 44 to 80 cents a pound, reflecting the average burley support level of 71.5 cents. USDA increased grade prices from 1 to 5 cents per pound over 1970. Through December 16, the 3 burley cooperatives took under government loan only 175,000 pounds, or .04 percent of market deliveries, the smallest loan volume ever recorded. In the same period last season, 8 percent of the sales went under loan.

Supplies Continue Large

This season's burley supply of 1,873 million pounds is about 2 percent below last season and 8 percent below the 1964/65 peak (table 8). The 1971 crop, estimated at 527 million pounds, was 6 percent below a year earlier due to the shift to farm poundage quotas and weather conditions during growing and curing. Farm poundage quotas totaled 555 million pounds. Harvested acreage steadied; estimated yield declined 6 percent below 1970's record.

The October 1 burley carryover was about the same as a year earlier. Carryover under government loan was up 2 percent to 463 million pounds. But from October 1 through mid-December the loan cooperatives sold 113 million pounds, so next year's loan carryover will drop sharply.

The 1971/72 supply is equal to 3.4 times probable disappearance, about the same as last season. The desirable ratio, based on the legislative formula, is about 2.8. Carryover next October 1 may decline slightly.

1970/71 Disappearance Slightly Smaller

During the year ended September 30, 1971, burley disappearance totaled 557 million pounds, 1 percent below the previous year. Both domestic use and exports declined. The 1 percent decline in domestic burley use contrasts with a gain of 2 percent for cigarette manufacture—principal outlet for burley. During the same period packaged smoking tobacco output fell 6 million pounds but bulk smoking tobacco exports gained sharply. With a continued downtrend in tobacco per cigarette, steady cigarette production in 1971/72 would point to another decline in domestic burley disappearance.

Heavy burley exports in the second half of last season, ended September 30, 1971, could not overcome the low first half movement. Volume totaled 54 million pounds, 4 million below the year-earlier record. West Germany, our leading foreign burley market, increased takings 2½ million pounds, approaching the level of 2 years earlier. West Germany's cigarette production gained 3 percent in 1970 and further in 1971. Several other burley destinations took less.

MARYLAND

1970/71 Disappearance Slipped, But Exceeded Crop

During the year ended September 30, 1971, disappearance of Maryland tobacco was 40 million pounds. This was 1 million below the previous year but the third highest on record (table 9). And the 1971 crop output declined.

Domestic use of Maryland tobacco at 28 million pounds was 1 million below last year. With declining supplies and a record price last season, domestic use this marketing year may be near the 20-25 million pound range that prevailed prior to the past 3 years.

Exporters boosted shipments in August and September ahead of the dock strike so the season's 12 million pound total about equaled the previous year's level. Switzerland's takings held close to the level in 1969/70 to account for 60 percent of the total. U.S. exports of other tobaccos to Switzerland fell sharply in this period.

Supplies Down Sharply

Carryover on January 1, 1972, is estimated about one-seventh below the 50 million pounds of a year earlier. The 1971 Maryland crop is estimated at 27.5 million pounds, about 8 percent below the previous season's sales. Acreage allotments were not in effect, since growers disapproved a marketing quota for the 1971 crop. Compared with 1970, the current crop was produced on more acreage, but the yield declined.

The crop plus estimated carryover provides a 1971/72 supply about one-eighth below a year earlier. Auction sales of the 1971 Maryland tobacco crop will begin April 18 and end June 23. The hogshead market operates year-round.

Table 8.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)							
Year	Production	Stocks, October 1	Supply	Disappearance <u>1/</u>			
				Total	Domestic	Exports	
<hr/>							
			Million pounds				
1960	485	1,191	1,676	549	508	41	
1961	580	1,127	1,707	570	525	45	
1962	675	1,137	1,812	584	531	53	
1963	755	1,228	1,983	571	514	57	
1964	620	1,412	2,032	616	560	56	
1965	586	1,416	2,002	607	550	57	
1966	587	1,395	1,982	600	544	56	
1967	541	1,382	1,923	599	546	53	
1968	563	1,324	1,887	571	516	55	
1969	591	1,316	1,907	564	506	58	
1970	561	1,343	1,904	558	504	54	
1971 <u>2/</u>	527	1,346	1,873				
<hr/>							
	Average	Price	Placed under Government loan		Remaining in		
	price	support			Government loan		
	per pound	level <u>3/</u>	Quantity	Percentage	stocks in		
				of crop	November 30, 1971 <u>4/</u>		
<hr/>							
	Cents		Million pounds	Percent	Million pounds		
1960	64.3	57.2	8.4	1.7	0		
1961	66.5	57.2	10.3	1.8	0		
1962	58.6	57.8	63.5	9.4	2.8		
1963	59.2	58.3	202.3	26.8	36.8		
1964	60.3	58.9	110.4	17.8	46.9		
1965	67.0	59.5	42.2	7.2	33.1		
1966	66.9	60.6	62.5	10.6	47.6		
1967	71.8	61.8	64.2	11.9	50.3		
1968	73.7	63.5	56.2	10.0	52.5		
1969	69.6	65.8	158.5	26.8	148.6		
1970	72.2	68.6	47.7	8.5	47.0		
1971	*80.4	71.5	<u>5/</u>	<u>5/</u>	<u>5/</u>		
<hr/>							
Total	---	---	826.2	---	6/465.6		

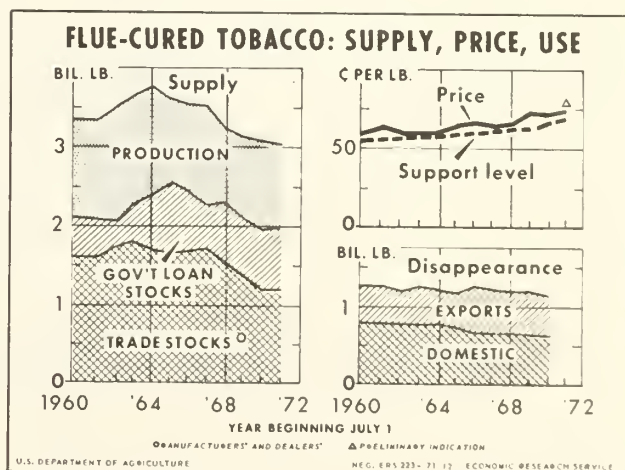
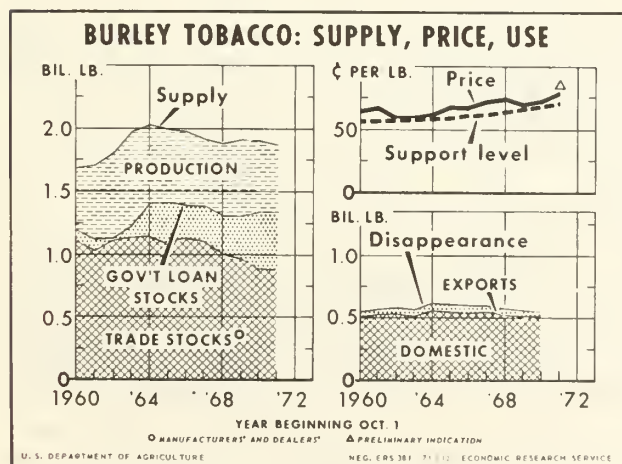
1/Year beginning October 1. 2/Subject to revision. 3/For 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 4/Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/Through December 16 about 0.2 million pounds, .04 percent of deliveries, went under loan. 6/About 40 million pounds of these holdings have been sold. *Auction average through December 16.

Table 9.--Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1965-71

(Farm-sales weight)

Marketing year	Acreage harvested	Yield per acre	Production	Stocks, following January 1 --			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	Pounds		Million pounds			
1965	33.5	1,150	38.5	70.0	20.2	90.1	128.6
1966	35.0	1,030	36.0	68.2	21.5	89.7	125.7
1967	31.5	1,030	32.4	68.2	18.1	86.3	118.7
1968	30.0	1,065	32.0	74.5	7.0	81.5	113.5
1969	28.0	1,000	28.0	66.7	0	66.7	94.7
1970	26.0	1,060	<u>1/</u> 30.0	50.1	0	50.1	80.1
1971 <u>2/</u>	27.0	1,020	27.5	*43.0	0	*43.0	70.5
	Disappearance <u>3/</u>			Average price	Price support	Placed under Government loan	
	Total	Domestic	Exports	per pound	level	Quantity	Percentage of crop
	Million pounds			Cents		Million pounds	Percent
1965	35.7	24.7	11.0	65.5	52.8	2.7	7.0
1966	40.2	23.7	16.5	48.6		No price support	
1967	36.0	20.3	15.7	62.4		No price support	
1968	48.7	38.3	10.4	69.8		No price support	
1969	41.3	29.1	12.2	75.1		No price support	
1970	40.1	28.3	11.8	<u>4/</u> 78.6		No price support	
1971						No price support	

1/ Estimated sales. 2/ Subject to revision. 3/ Year beginning October 1. 4/ Auction market average.
*Estimated.



FIRE-CURED

Sales Prices

Auction markets for Virginia fire-cured (type 21) opened November 30. For sales through December 16 (when markets closed for the holidays until January 11) prices averaged 55 cents a pound, 3 cents above last year's level. Quality improved from last year's crop. Auctions for Kentucky-Tennessee fire-cured (types 22 and 23) are expected to open around the middle of January.

The 1971 fire-cured crop, an estimated 42 million pounds, is 13 percent above 1970, but falls substantially below last marketing year's use. Most of the gain comes in Kentucky-Tennessee types. The overall support level for the 1971 crop is 48.5 cents a pound. In the Virginia fire-cured markets before Christmas, government loan placements were again very low.

Supplies Lower

With declining carryover, the 1971/72 supply of fire-cured types totals 104 million pounds—down 6 percent from a year earlier. Based on prospective use, this supply would last 2.2 years. Government loan stocks on October 1, the beginning of the marketing year, were 5.4 million pounds below a year earlier, and the lowest on record. Total carryover next October will probably show a further decline. The supply of Virginia fire-cured is 3 percent below last year and the Kentucky-Tennessee supply is down 6 percent (table 10).

Disappearance Declines

Disappearance of fire-cured types was 48 million pounds in 1970/71—about 3 percent below the previous season. Exports gained but not enough to offset declining domestic use. Snuff output steadied but plug and twist chewing tobacco dropped 6 percent. Domestic use of Kentucky-Tennessee types fell sharply. Last season's type 22-23 prices were record high. Domestic use of Virginia fire-cured stayed about the same.

Last season's fire-cured exports, including an allowance for Black Fat, gained 3 million pounds, reflecting heavy shipments prior to the dock strike. For Black Fat, a semiprocessed product, demand stayed about the same. Exports of Kentucky-Tennessee types made further recovery in the Netherlands, the major fire-cured destination. In that country, cigar and smoking tobacco consumption equals cigarette usage. Among other leading outlets, France and Belgium took a little more.

The 1970/71 exports of Virginia fire-cured declined 400,000 pounds. About four-tenths of the total goes to Norway where it is made into shag tobacco for roll-your-own cigarettes and smoking tobacco. Two-thirds of the Norwegians work in outdoors occupations, and many find smoking tobacco a satisfying method of tobacco consumption. Also, factory-made cigarettes are more expensive.

DARK AIR-CURED

Prices and Price Support

Auction markets for One Sucker and Green River (Kentucky-Tennessee dark air-cured, types 35-56) opened December 3 and December 1, respectively. Auctions for Virginia sun-cured (type 37) opened December 7. The overall price support level for the 1971 crop is 43.1 cents a pound. Farmers received more for types 35-56 than last season, but less for type 37. Quality of offerings was down.

The dark air-cured crop, an estimated 17 million pounds, was 5 percent above 1970's level but 3 million below last season's disappearance. Acreage was up for One Sucker but down for Green River and Virginia types.

Dark air-cured tobacco auction markets:
Average prices and loan receipts through
December 17, 1971, comparable 1970 period

Year and type	Price per lb.	Loan receipts
	<i>Cents</i>	<i>Percent of sales</i>
1971		
35	47.7	7.8
36	47.1	3.8
37	52.6	---
1970		
35	45.6	5.3
36	44.0	3.6
37	52.5	.4

Supplies Below Year Ago

The 1971/72 supply of dark air-cured and sun-cured tobacco, about 70 million pounds, is 4 percent below last season. The new crop is larger, but not enough to offset smaller carryover. The supply decline occurs in all 3 types.

Total supplies of dark air-cured tobacco will last about 3½ years, based on projected disappearance. Government loan stocks on October 1—outset of the current marketing year—were 4 million pounds below year-earlier holdings. Carryover will decline if disappearance remains about unchanged, as expected.

Disappearance Slumped in 1970/71

Disappearance of dark air-cured tobacco last season was 20 million pounds, about 5 million below the previous season. Exports gained, so domestic use accounted for the decline (table 11). Combined output of plug, twist, and fine-cut chewing tobacco fell 6 percent.

Exports of the dark types last season (including Black Fat) gained because leaf exports recovered. Black Fat exports steadied. Exports of Green River rose substantially with a sizable shipment to West Germany.

Table 10.—Fire-cured tobacco, Kentucky-Tennessee types 22-23, and Virginia fire-cured type 21: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1965-71

(Farm-sales weight)							
Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks, October 1 --			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	Pounds		----- Million pounds -----			
Kentucky-Tennessee fire-cured, types 22-23							
1965	23.2	1,574	36.6	72.5	32.3	104.8	141.4
1966	21.0	1,919	40.2	69.9	25.9	95.8	136.0
1967	17.3	1,702	29.5	64.0	27.3	91.3	120.8
1968	17.9	1,822	32.6	57.3	21.5	78.8	111.4
1969	19.0	1,797	34.1	61.1	11.6	72.7	106.8
1970	17.7	1,749	30.9	54.1	9.7	63.8	94.7
1971 <u>1/</u>	18.4	1,923	35.4	48.6	4.7	53.3	88.7
Virginia fire-cured, type 21							
1965	7.6	1,260	9.6	12.3	3.3	15.6	25.2
1966	6.0	1,255	7.5	13.4	3.5	16.9	24.4
1967	5.4	1,290	7.0	12.1	2.7	14.8	21.8
1968	4.9	1,205	5.9	8.9	2.8	11.7	17.6
1969	5.0	1,340	6.7	8.0	1.9	9.9	16.6
1970	5.0	1,230	6.2	8.4	1.4	9.8	16.0
1971 <u>1/</u>	5.0	1,300	6.5	8.0	1.0	9.0	15.5
Disappearance			Average price	Price support level	Placed under Government loan		
Total	Domestic	Exports	per pound		Quantity	Percentage of crop	
Million pounds			Cents		Million pounds	Percent	
Kentucky-Tennessee fire-cured, types 22-23							
1965	45.6	18.0	27.6	43.6	40.4	2.3	6.3
1966	44.7	21.0	23.7	42.2	41.1	6.3	15.7
1967	42.0	14.9	27.1	46.2	41.9	.8	2.7
1968	38.7	<u>2/</u> 19.1	19.6	51.1	43.1	.4	1.2
1969	43.0	18.5	24.5	48.1	44.6	1.9	5.6
1970	41.4	13.1	28.3	54.4	46.6	<u>3/</u>	.1
1971				48.5			
Virginia fire-cured, type 21							
1965	8.3	3.0	5.3	39.9	40.4	1.0	10.4
1966	9.6	2.3	7.3	41.2	41.1	.6	8.0
1967	10.1	3.4	6.7	40.9	41.9	.7	10.1
1968	7.7	3.0	4.7	46.9	43.1	.2	3.4
1969	6.8	1.7	5.1	53.1	44.6	.1	1.5
1970	7.0	2.4	4.6	52.0	46.6	.1	2.0
1971				48.5	<u>4/</u>	<u>4/</u>	

1/ Subject to revision. 2/ Includes 4.7 million pounds fire loss, April 1969. 3/ Less than 50,000 pounds. 4/ Through December 16, about 0.7 percent of marketings were placed under loan.

Table 11.--Dark air-cured tobacco, types 35-36, and Sun-cured tobacco type 37: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1965-71

(Farm-sales weight)							
Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	Pounds		----- Million pounds -----			
	Dark air-cured, types 35-36						
1965	11.3	1,639	18.5	40.6	21.3	61.9	80.4
1966	10.7	1,987	21.3	41.0	19.6	60.6	81.9
1967	9.5	1,629	15.5	39.2	21.3	60.5	76.0
1968	9.8	1,831	18.0	41.1	17.1	58.2	76.2
1969	10.1	1,793	18.1	44.1	15.0	59.1	77.2
1970	8.2	1,863	15.4	35.5	18.2	53.7	69.1
1971 <u>1/</u>	8.3	1,946	16.2	35.5	14.3	49.8	66.0
	Sun-cured, type 37						
1965	1.8	1,105	2.0	4.3	0	4.3	6.3
1966	1.4	1,065	1.5	4.3	0	4.3	5.8
1967	1.2	1,090	1.3	4.2	0	4.2	5.5
1968	1.1	1,095	1.2	3.9	0	3.9	5.1
1969	1.1	1,225	1.3	3.8	0	3.8	5.1
1970	1.0	1,100	1.1	3.3	0	3.3	4.4
1971 <u>1/</u>	.9	1,150	1.0	3.2	0	3.2	4.2
	Disappearance		Average	Price	Placed under		
			price	support	Government loan		
	Total	Domestic	Exports	per pound	level	Quantity	Percentage
							of
							crop
	---- Million pounds ----			Cents		Million pounds	Percent
	Dark air-cured, types 35-36						
1965	19.8	16.2	3.6	37.0	35.9	3.2	17.3
1966	21.4	17.0	4.4	37.3	36.6	4.7	22.1
1967	17.8	14.8	3.0	40.8	37.3	1.4	9.0
1968	17.1	15.0	2.1	47.4	38.3	.7	3.9
1969	23.5	21.2	2.3	40.3	39.7	4.8	26.5
1970	19.3	16.0	3.3	46.0	41.4	1.0	6.8
1971					43.1	<u>2/</u>	<u>2/</u>
	Sun-cured, type 37						
1965	2.0	1.7	.3	39.2	35.9	<u>3/75</u>	3.8
1966	1.6	1.2	.4	42.3	36.6	<u>3/26</u>	1.7
1967	1.6	1.2	.4	45.2	37.3	<u>3/25</u>	1.9
1968	1.3	1.1	.2	53.2	38.3	<u>3/1</u>	.1
1969	1.8	1.5	.3	52.8	39.7	<u>3/1</u>	.1
1970	1.3	1.1	.2	53.8	41.4	<u>3/3</u>	.3
1971					43.1	<u>2/</u>	<u>2/</u>

1/ Subject to revision. 2/ Through mid-December, about 6 percent of marketings were placed under loan, for types 35-36; none for type 37. 3/ Quantity placed under loan reported in thousand pounds.

CIGAR TOBACCO

U.S. and Puerto Rican Supplies Lower

Supplies of U.S. and Puerto Rican cigar tobacco are about 6 percent lower than in 1970, continuing the postwar trend (table 12). Carryover was down and 1971/72 production is lower. Most of the decline is occurring in cigar filler types, but wrapper supplies have fallen also. Last season, disappearance of filler and binder types fell below 1969/70. Wrapper disappearance stabilized near the previous season's 18-year low. On November 30, government loan stocks of cigar tobacco were below 1970's total.

Production of U.S. cigar types was estimated about 2½ percent below 1970. Yields improved, but acreage declined. U.S. cigar leaf tobacco is sold either directly on the farm or through cooperatives. Therefore, price data are not as detailed as for types sold at auctions. Trade reports indicate buyers paid 3-5 cents more per pound for filler and binder crops than last season. Season average prices will be published in the May 1972 issue of USDA's crop report.

Filler Supplies Falling

With smaller carryover and production, the supply of domestic cigar filler (U.S. and Puerto Rican) is 11 percent below last year and the smallest on record. These supplies would last about 2.7 years, based on 1970/71 disappearance. Disappearance in the 1971/72 marketing year is expected to continue down but probably will again exceed production.

Declining output is likely to persist as long as price is low relative to costs. Much cigar filler tobacco grows near urbanized areas and many growers have turned to alternative employment.

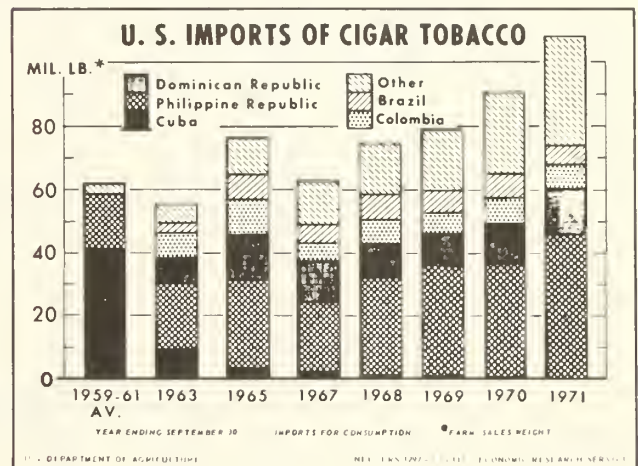
Imports Supplementing Lower U.S. Supplies

For 1970/71 (October-September) cigar tobacco imports substantially exceeded use from domestic filler supplies. With domestic supplies declining further in

1971/72, manufacturers will again draw heavily on foreign leaf, despite the import surcharge. Imports account for about two-thirds of U.S. cigar filler requirements.

Last season 108 million pounds of cigar tobacco were imported for consumption, 17 million above the previous season. Some of the increase came in September just ahead of the import surcharge. Imports increased from most suppliers.

Foreign-grown cigar leaf stocks in the United States on October 1 reached 102 million pounds—nearly 3 million above a year earlier. However, stocks were below the 1965 high.



Binder Supplies Larger

The season's binder tobacco supplies are 8 percent above 1970/71 due to larger carryover and larger crop. Yields were down but acreage was up. At the end of this season about the same carryover is likely.

Cigar binder disappearance last season was 19 million pounds, about 3 million below a year earlier. A gain occurred in the Northern Wisconsin type but declines occurred for Connecticut Valley and Southern Wisconsin types.

Foreign-grown cigar leaf tobacco: U.S. imports and stocks, 1968-71

(Farm sales weight)

Country of Origin	Imports for consumption				Dealers and manufactures stocks			
	Year ending September 30—				October 1—			
	1968	1969	1970	1971	1968	1969	1970	1971
<i>Million pounds</i>								
Philippines	30.9	35.3	36.6	48.7	35.6	40.2	38.9	43.2
Dominican Rep. ...	10.8	10.1	12.5	13.3	14.4	10.0	9.5	10.8
Brazil	8.0	6.9	7.6	6.5	9.5	8.0	9.2	9.5
Colombia	7.5	6.9	8.1	7.4	12.1	11.2	10.1	8.4
Paraguay	2.5	2.4	5.6	2.8	3.2	8.1	8.9	6.8
Mexico	3.3	3.8	3.4	5.0	4.4	4.4	5.9	6.3
Indonesia	1.8	2.8	2.6	4.2	3.8	3.0	3.4	4.2
All others	9.8	10.5	14.2	19.7	7.7	11.1	13.2	12.7
Total	74.6	78.7	90.6	107.6	90.9	96.1	99.1	101.8

Table 12.--Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1965-71

Crop year	Acreage harvested	Yield per acre	(Farm-sales weight)			Disappearance			Average price per pound to growers
			Supply						
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
	Thous. acres	Pounds	Million pounds						Cents
Pennsylvania Seedleaf Filler (type 41)									
1965	27.0	1,900	51.3	129.4	180.7	53.0	51.2	1.8	24.0
1966	23.0	1,675	38.5	127.7	166.2	53.9	52.4	1.5	25.0
1967	21.0	1,825	38.3	112.3	150.6	41.9	41.3	.6	28.0
1968	21.0	1,775	37.3	108.7	146.0	40.9	40.0	.9	30.0
1969	20.0	1,875	37.5	105.1	142.6	45.3	44.7	.6	30.0
1970	18.0	1,800	32.4	97.3	129.7	42.7	42.5	.2	31.0
1971 2/	17.0	1,800	30.6	87.0	117.6				
Ohio, Miami Valley Filler (type 42-44)									
1965	3.7	1,465	5.4	17.0	22.4	6.2	6.2	---	26.2
1966	3.2	1,885	6.0	16.2	22.2	6.7	6.7	---	28.0
1967	2.3	1,580	3.6	15.5	19.1	6.2	6.2	---	29.0
1968	2.0	1,670	3.4	12.9	16.3	5.4	5.4	---	31.0
1969	1.7	1,650	2.8	10.9	13.7	4.7	4.7	---	32.5
1970	1.6	1,750	2.9	9.0	11.9	4.1	4.1	---	35.0
1971 2/	1.7	1,750	3.0	7.8	10.8				
Puerto Rico Filler (type 46) 3/									
1965	17.0	951	16.2	62.6	78.8	27.0	27.0	---	4/32.1
1966	9.0	1,338	12.0	51.8	63.8	23.3	23.3	---	4/31.3
1967	7.6	1,419	10.8	40.5	51.3	16.9	16.9	---	4/33.1
1968	6.0	1,282	7.6	34.4	42.0	16.2	16.2	---	4/33.3
1969	4.7	1,303	6.1	25.8	31.9	12.6	12.6	---	4/33.6
1970	3.2	1,397	4.5	19.3	23.8	8.7	8.7	---	4/36.5
1971 2/	3.0	1,350	4.0	15.1	19.1				
Total Cigar Filler (types 41-46)									
1965	47.7	1,528	72.9	209.0	281.9	86.2	84.4	1.8	26.0
1966	35.2	1,608	56.5	195.7	252.2	83.9	82.4	1.5	26.7
1967	30.9	1,707	52.7	168.3	221.0	65.0	64.4	.6	29.1
1968	29.0	1,666	48.3	156.0	204.3	62.5	61.6	.9	30.5
1969	26.4	1,759	46.4	141.8	188.2	62.6	62.0	.6	30.6
1970	22.8	1,741	39.8	125.6	165.4	55.5	55.3	.2	31.9
1971 2/	21.7	1,732	37.6	109.9	147.5				
Connecticut Valley Binder (types 51-52)									
1965	2.6	1,910	5.0	21.3	26.3	7.0	4.9	2.1	45.9
1966	1.8	2,111	3.8	19.3	23.1	6.7	5.1	1.6	51.2
1967	1.5	1,819	2.7	16.4	19.1	7.9	5.7	2.2	54.5
1968	1.6	1,808	2.8	11.2	14.0	5.1	4.7	.4	59.5
1969	1.6	1,434	2.3	8.9	11.2	4.2	3.9	.3	58.2
1970	1.7	1,756	2.9	7.0	9.9	2.7	2.4	.3	63.5
1971 2/	1.6	1,856	3.0	7.2	10.2				
Southern Wisconsin Binder (type 54)									
1965	4.7	1,805	8.5	22.7	31.2	8.8	8.8	---	29.7
1966	3.9	1,895	7.4	22.4	29.8	9.1	9.1	---	34.3
1967	3.8	1,905	7.2	20.7	27.9	8.0	8.0	---	34.4
1968	3.7	1,990	7.4	19.9	27.3	7.7	7.7	---	36.8
1969	3.7	1,740	6.4	19.6	26.0	9.3	9.3	---	40.2
1970	4.4	2,135	9.4	16.7	26.1	7.3	7.3	---	50.3
1971 2/	5.2	2,150	11.2	18.8	30.0				
Northern Wisconsin Binder (type 55)									
1965	6.2	1,735	10.8	26.8	37.6	9.4	9.1	.3	28.9
1966	5.4	1,635	8.8	28.2	37.0	7.7	7.4	.3	32.4
1967	4.5	1,975	8.9	29.3	38.2	9.3	8.9	.4	34.1
1968	4.0	1,670	6.7	28.9	35.6	14.9	14.5	.4	37.9
1969	3.7	1,815	6.7	20.7	27.4	8.8	8.5	.3	43.4
1970	4.4	2,055	9.0	18.6	27.6	9.2	9.1	.1	52.0
1971 2/	5.2	1,900	9.9	18.4	28.3				

See footnotes at end of table.

Continued --

Table 12.--Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1965-71

Crop year	(Farm-sales weight)								
	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
	Thous. acres	Pounds			Million pounds				Cents
Total Wisconsin Binder (types 54-55)									
1965	10.9	1,765	19.3	49.5	68.8	18.2	17.9	.3	29.3
1966	9.3	1,744	16.2	50.6	66.8	16.8	16.5	.3	33.3
1967	8.3	1,943	16.1	50.0	66.1	17.3	16.9	.4	34.2
1968	7.7	1,824	14.1	48.8	62.9	22.6	22.2	.4	37.3
1969	7.4	1,776	13.1	40.3	53.4	18.1	17.8	.3	41.8
1970	3.8	2,095	18.4	35.3	53.7	16.5	16.4	.1	51.1
1971 2/	10.4	2,025	21.1	37.2	58.3				
Total Cigar Binder (types 51-55)									
1965	13.5	1,793	24.3	70.8	95.1	25.2	22.8	2.4	32.7
1966	11.1	1,804	20.0	69.9	89.9	23.5	21.6	1.9	36.7
1967	9.8	1,924	18.8	66.4	85.2	25.2	22.6	2.6	37.1
1968	9.3	1,821	16.9	60.0	76.9	27.7	26.9	.8	41.0
1969	9.0	1,716	15.4	49.2	64.6	22.3	21.7	.6	44.3
1970	10.5	2,041	21.3	42.3	63.6	19.2	18.8	.4	52.8
1971 2/	12.0	2,002	24.1	44.4	68.5				
Connecticut Valley Shade-grown (type 61)									
1965	9.3	1,567	14.6	14.3	28.9	12.6	9.3	3.3	250.0
1966	8.8	1,555	13.7	16.3	30.0	14.0	10.5	3.5	295.0
1967	8.5	1,124	9.6	16.0	25.6	12.9	9.6	3.3	360.0
1968	8.4	1,215	10.2	12.7	22.9	10.8	9.1	1.7	280.0
1969	6.3	1,288	8.1	12.1	20.2	8.0	7.0	1.0	400.0
1970	6.0	1,535	9.3	12.2	21.5	7.6	6.6	1.0	400.0
1971 2/	4.6	1,600	7.4	13.9	21.3				
Georgia-Florida Shade-grown (type 62)									
1965	6.3	1,321	8.3	7.3	15.6	7.4	5.5	1.9	225.0
1966	5.8	1,265	7.3	8.2	15.5	6.8	6.1	.7	185.0
1967	5.1	1,573	8.0	8.7	16.7	7.9	6.3	1.6	245.0
1968	5.0	1,556	7.9	8.8	16.7	9.2	7.1	2.1	270.0
1969	5.0	1,569	7.8	7.5	15.3	6.1	5.2	.9	280.0
1970	3.6	1,590	5.6	9.2	14.8	6.7	5.8	.9	270.0
1971 2/	3.0	1,575	4.7	8.1	12.8				
Total Shade-grown (types 61-62)									
1965	15.6	1,468	22.9	21.6	44.5	20.0	14.8	5.2	241.0
1966	14.6	1,440	21.0	24.5	45.5	20.8	16.6	4.2	257.0
1967	13.6	1,292	17.6	24.7	42.3	20.8	15.9	4.9	308.0
1968	13.4	1,343	18.1	21.5	39.6	20.0	16.2	3.8	275.7
1969	11.3	1,411	15.9	19.6	35.5	14.1	12.2	1.9	341.3
1970	9.6	1,555	14.9	21.4	36.3	14.3	12.4	1.9	350.9
1971 2/	7.6	1,590	12.1	22.0	34.1				
Grand Total Cigar Tobacco (types 41-62)									
1965	76.8	1,562	120.1	301.4	421.5	131.4	122.0	9.4	68.3
1966	60.9	1,603	97.5	290.1	387.6	128.2	120.6	7.6	78.2
1967	54.3	1,642	89.1	259.4	348.5	111.0	102.9	8.1	85.7
1968	51.7	1,610	83.3	237.5	320.8	110.2	104.7	5.5	85.9
1969	46.7	1,667	77.7	210.6	288.3	99.0	95.9	3.1	96.8
1970	42.9	1,773	76.0	189.3	265.3	89.0	86.5	2.5	100.3
1971 2/	41.3	1,784	73.8	176.3	250.1				

1/ October 1 for types 41-55; July 1 for types 61-62.

2/ Subject to revision.

3/ Puerto Rican planting occurs late in calendar year; projected for 1971.

4/ Excludes payment by Puerto Rican Government; 17 cents per pound in 1970.

Looseleaf chewing tobacco output, the principal outlet for Wisconsin binder, gained almost 2 million pounds. Looseleaf manufacturers continue to use other

kinds of leaf to supplement Wisconsin leaf. At current low levels of use, Connecticut tobacco goes primarily for natural binder in higher priced cigars.

Cigar leaf tobacco price support operations, 1967-71

(Farm-sales weight)

Type	Placed under Government loan, crop years—				Remaining under loan, End of November			
	1967	1968	1969	1970	1968	1969	1970	1971
<i>Million pounds</i>								
Ohio, 42-44	0.4	0.1	(¹)	0	0	0.1	(¹)	0
Puerto Rican, 46 . . .	1.2	4.9	4.2	3.1	1.5	1.2	5.6	2.5
Conn. Valley, 51-52 . .	.1	(¹)	.7	.6	1.3	1.3	2.0	1.9
Southern Wis., 54 . .	.2	(¹)	(1)	.6	.2	(1)	0	0
Northern Wis., 55 . .	2.4	.4	0	0	5.1	.1	0	0
Total	4.3	5.5	4.9	3.7	8.1	2.7	7.6	4.4

¹ Negligible.

Wrapper Supplies Steadying

Cigar wrapper tobacco supplies for 1971/72 are about 6 percent below last year, and about one-fifth below the 1965-69 crop year average. The crop was smaller for the third straight year, due to an acreage reduction in both the Georgia-Florida area and the Connecticut Valley area. Total carryover was up. If disappearance steadies, carryover next July 1 will drop a

tenth below last July's 22 million pounds.

By shifting to homogenized wrapper, manufacturers can utilize the entire leaf, thus reducing their overall wrapper leaf requirements. During July-October 1971, exports for both Georgia-Florida and for Connecticut Valley types recovered from the low levels of a year earlier. The United Kingdom manufacturers took a sizable quantity of Connecticut Valley wrapper this season to supply their growing cigar market.

INTERNATIONAL DEVELOPMENTS

World Tobacco Harvest Down Slightly³

World production of tobacco in 1971 of 10 billion pounds is down 1 percent from 1970, and 3 percent below the 1967 record. Production declined in North and South America and Europe, but was higher in Africa, where acreage increased and in Asia where yields were up.

Flue-cured production stayed about the same as the previous year. Production gains occurred in South Korea and Mainland China. United States India, Japan, and Philippines registered declines. Output in Canada, and Rhodesia remained about unchanged from 1970. Production in other areas also held about steady, but substantially above the 1960-64 average, in response to the U.N. sanctions on Rhodesian trade and the increasing foreign demand for cigarette tobacco (table 14).

In Rhodesia, the 1971 flue-cured harvest is estimated near the production goal of 132 million pounds. The

output target, at this level for 4 years, continues for next year's harvest. The impact of the proposed U.K.-Rhodesian political settlement is believed to have come too late for increasing the 1972 crop.

Production in Canada stayed about the same this season, despite a 10 percent acreage cut in Ontario, the major production area. Yields set a new record, so production went above the crop target. Auctions in Ontario began November 5 on a lower price level. Prospects for renewal of British-Rhodesian trade and a phasing out of the Commonwealth Preference contribute to the weaker market. Comparisons of sales volume and average prices through December 3 are as follows:

Ontario flue-cured auction sales, 1970-71

Year	Net sales	Average price
	<i>Million pounds</i>	<i>Cents/pounds</i>
1970	40.3	67.9
1971	41.5	63.8

Burley production in 1971 was up 4 percent from 1970 despite the U.S. decline. World outturn equaled

³Data summarized from "World Production of Tobacco", Foreign Agriculture Circular FT 6-71, December 1971, available from Foreign Agricultural Service, Room 5918, USDA, Washington, D. C. 20250.

Table 13.--Tobacco: Acreage, yield, production, stocks, supply, disappearance, price and crop value, United States and Puerto Rico, 1947-71

(Farm-sales weight)										
Crop year	Acreage	Yield per acre	Production	Stocks 1/	Supply	Disappearance 1/			Average price per pound to growers	Crop value
						Total	Domestic	Exports		
	1,000 acres	Pounds			Million pounds				Cents	Million dollars
United States										
Average:										
1947-49	1,676	1,208	2,019	2,947	4,965	1,908	1,417	491	45.9	926
1950-54	1,690	1,292	2,184	3,382	5,566	2,006	1,479	527	51.2	1,118
1955-59	1,242	1,541	1,914	4,095	6,009	1,951	1,397	554	56.0	1,072
1960	1,142	1,703	1,944	3,789	5,733	2,029	1,462	567	60.9	1,184
1961	1,174	1,755	2,061	3,704	5,765	2,051	1,461	590	63.8	1,315
1962	1,224	1,891	2,315	3,714	6,029	2,004	1,474	530	58.9	1,364
1963	1,176	1,994	2,344	4,025	6,369	2,046	1,437	609	57.7	1,352
1964	1,078	2,067	2,228	4,323	6,551	2,055	1,506	549	59.2	1,319
1965	977	1,898	1,855	4,496	6,351	2,000	1,462	538	65.1	1,207
1966	974	1,937	1,887	4,351	6,238	2,098	1,394	704	66.4	1,253
1967	960	2,050	1,968	4,140	6,108	2,020	1,372	648	66.8	1,316
1968	880	1,943	1,710	2/4,088	5,798	1,975	1,352	623	69.5	1,189
1969	920	1,961	1,804	3,823	5,627	1,949	1,309	640	71.8	1,296
1970	898	2,122	1,906	3,678	5,584	1,917	1,278	639	72.8	1,389
1971 3/	851	2,098	1,786	2/3,667	5,453				*78.3	*1,398
United States and Puerto Rico										
Average:										
1947-49	1,710	1,200	2,045	3,012	5,057	1,942	1,447	495	45.6	932
1950-54	1,728	1,282	2,215	3,430	5,645	2,036	1,508	527	50.9	1,127
1955-59	1,270	1,528	1,941	4,147	6,088	1,981	1,426	555	55.6	1,080
1960	1,170	1,685	1,972	3,833	5,805	2,058	1,491	567	60.5	1,193
1961	1,201	1,741	2,092	3,747	5,839	2,083	1,493	590	63.4	1,326
1962	1,253	1,876	2,350	3,756	6,106	2,032	1,502	530	58.6	1,378
1963	1,206	1,970	2,376	4,074	6,450	2,076	1,467	609	57.5	1,365
1964	1,109	2,044	2,266	4,374	6,640	2,081	1,532	549	58.8	1,333
1965	994	1,882	1,871	4,559	6,430	2,027	1,489	538	64.8	1,212
1966	983	1,932	1,899	4,403	6,302	2,121	1,417	704	66.2	1,257
1967	967	2,045	1,979	4,181	6,160	2,037	1,389	648	66.7	1,319
1968	886	1,939	1,718	2/4,123	5,841	1,992	1,369	623	69.3	1,191
1969	925	1,958	1,810	3,849	5,659	1,961	1,321	640	71.7	1,298
1970	902	2,120	1,911	3,698	5,609	1,927	1,288	639	72.8	1,391
1971 3/	854	2,095	1,790	2/3,682	5,472				*78.2	*1,400

1/ For flue-cured and cigar wrapper, year beginning July 1; for all other types, October 1. 2/ Includes flue-cured carried over on farms: 1968, 13 million pounds; 1971, 16 million pounds. 3/ Preliminary.
* Estimated.

1963's high because increased foreign production offset reduced U.S. production. Production gains were recorded in Mexico, Brazil, Italy, Malawi, and South Korea. Those countries, along with Greece, have been increasing acreage and offering sizable portions of their crops for export.

Oriental leaf production increased 1 percent in 1971 and remains at a very high level in relation to domestic requirements and potential exports. In Greece, government officials have been shifting production away from oriental tobacco to burley types.

Table 14.—Flue-cured and Oriental tobacco production in specified countries, average 1960-64, 1970-71

Country	Average 1960-64	1970 ¹	1971 ²	Country	Average 1960-64	1970 ¹	1971 ²
	Million pounds	Million pounds	Million pounds		Million pounds	Million pounds	Million pounds
Flue-cured:				Flue-cured—			
Canada	184	214	212	continued:			
Mexico	6	11	19	Cambodia	3	18	6
Brazil	119	188	194	South Korea	56	96	113
Angola	1	9	10	Pakistan	23	74	78
Mozambique	3	11	8	Philippines	72	93	66
Zambia	17	11	14	Thailand	23	47	50
Malawi	3	10	14	South Vietnam	4	4	4
Rhodesia	225	132	132				
Tanzania	3	20	21	Total	1,245	1,472	1,455
Uganda	2	6	6				
South Africa	28	44	45	Oriental:			
Iran	1	9	10	Greece	216	176	166
Taiwan	38	45	38	Bulgaria	198	262	³ 267
Ceylon	4	11	10	Yugoslavia	76	75	78
India	184	178	166	Turkey	277	323	324
Indonesia	42	37	34				
Japan	204	204	205	Total	767	836	835

¹ Subject to revision. ² Preliminary. ³ Estimated.

Compiled from reports of Foreign Agricultural Service.

EC's Tobacco Policy Hurting Tobacco Exporters

The common agricultural policy for tobacco adopted by the European Community in 1970 is causing some significant shifts for tobacco exporters. Without any production controls the past 2 seasons, a high support price to farmers brought Italian burley production up 17 million pounds to 79 million. The CAP provides a 30-cent per pound subsidy for the purchase of Italian burley (buyer's premium). Faced with this competition Greek exports to the EC have suffered and Greece has abandoned plans to further expand burley production.⁴

Officials of the United States and other countries have continued to emphasize to EC officials the adverse effects on world trade from the high EC support levels and discriminatory surplus disposal policies. The recent report of the Commission on International Trade and Investment Policy urges that the United States launch a major and determined effort to secure a meaningful reduction in the level of EC agricultural support and protection. The Commission suggested the need for parallel U.S. concessions in the agricultural sector.⁵

⁴ Kiger, Hugh C., "EC's Tobacco CAP Disrupts Greek Burley Program," *Foreign Agriculture*, Dec. 6, 1971, pp. 4-5, 12.

⁵ Commission on International Trade and Investment Policy, *United States International Economic Policy in an Interdependent World*, U.S. Government Printing Office, 1971.

Flue-cured and Oriental tobacco exports, major foreign exporters, 1969-71

Country and type	Period	1969	1970	1971
		Million pounds		
Flue-cured				
India	Jan.-Sept.	85	96	98
Canada	Jan.-Aug.	40	35	44
Oriental				
Greece	Jan.-Aug.	¹ 82	73	64
Turkey	Jan.-Aug.	104	101	119

¹ Jan.-Sept.

U.K. Consumption Slumps

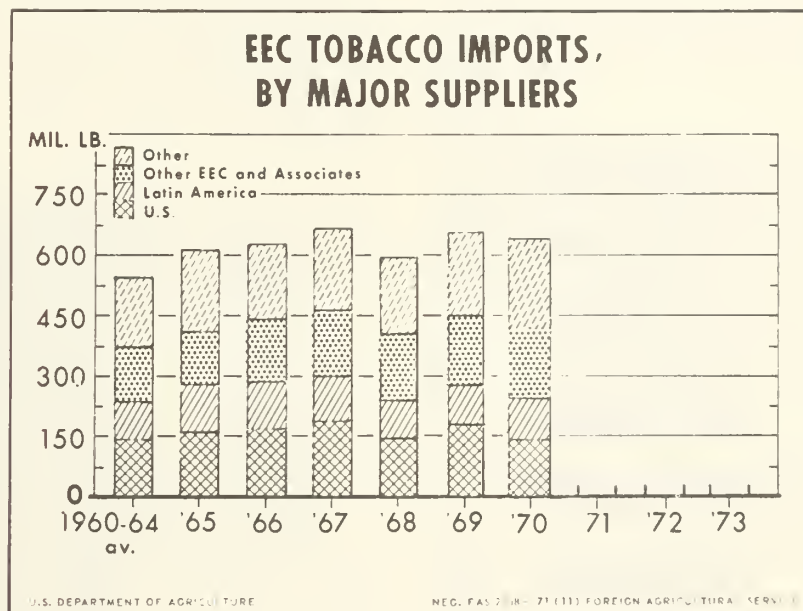
For the first 9 months of 1971, the United Kingdom took about 3 percent less U.S. tobacco but Commonwealth countries supplied considerably more than the year-earlier level. Net clearances (tobacco for domestic use) declined 7 percent as cigarette sales declined and manufacturers made numerous economies on leaf use. U.S. leaf tobacco stocks continue to fall with rising U.S. prices (table 15).

Table 15.—United Kingdom tobacco: Imports, stocks, clearances, and exports, 1969-71

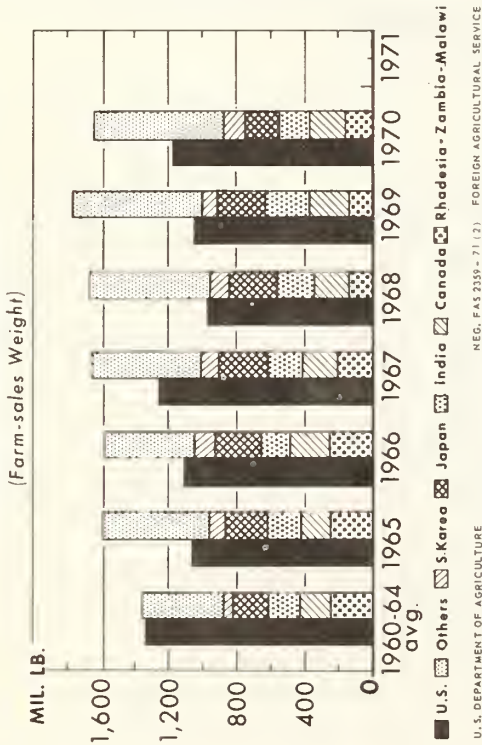
Item	January-September			Item	January-September		
	1969	1970	1971		1969	1970	1971
	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>		<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>
Imports, by source:				Gross clearances:			
United States	63	63	61	Full duty rate ¹	124	126	113
Commonwealth	112	85	102	Commonwealth rate ²	103	101	103
Other	27	39	36	Total	227	227	216
Total	202	187	199				
Exports:				Flue-cured:			
Manufactured products	36	38	39	United States	107	101	89
Unmanufactured	2	4	6	Canada	33	37	37
Stocks, Sept. 30:				India	33	34	31
Flue-cured	373	346	345	Rhodesia	8	2	(³)
Other	51	54	56	Zambia and Malawi	8	8	9
Total	424	400	401	Other	19	20	21
				Total	208	202	188
				Net clearances:	173	173	161

¹ Equivalent to \$12.10 per pound. ² Equivalent to \$11.91½ per pound.

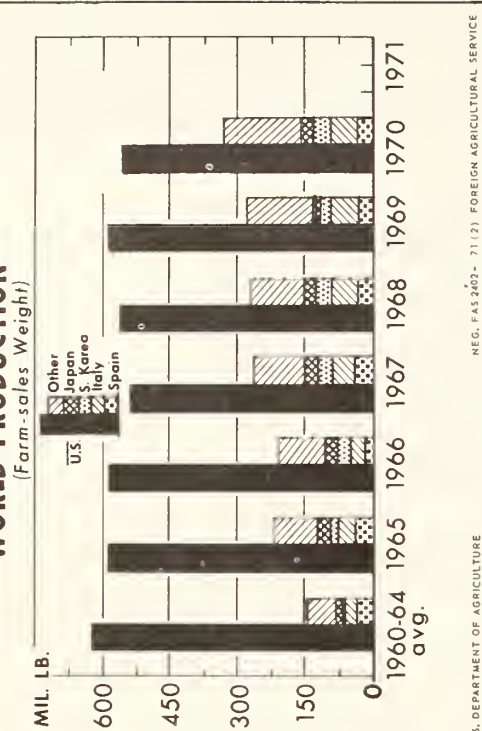
Compiled from Official United Kingdom sources. ³ Negligible.



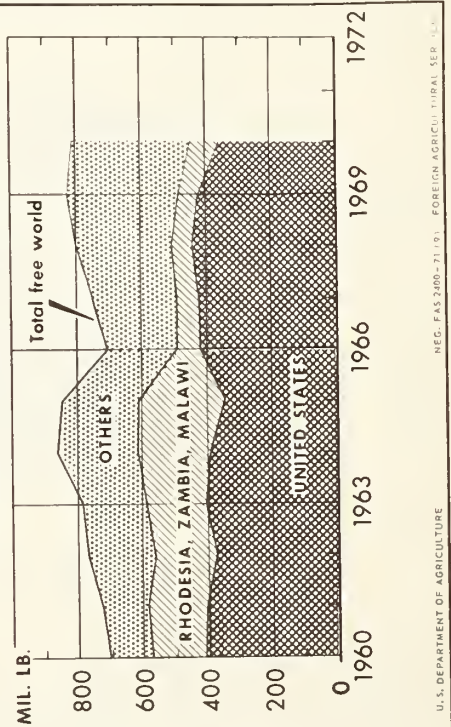
FLUE-CURED TOBACCO: ESTIMATED FREE WORLD PRODUCTION



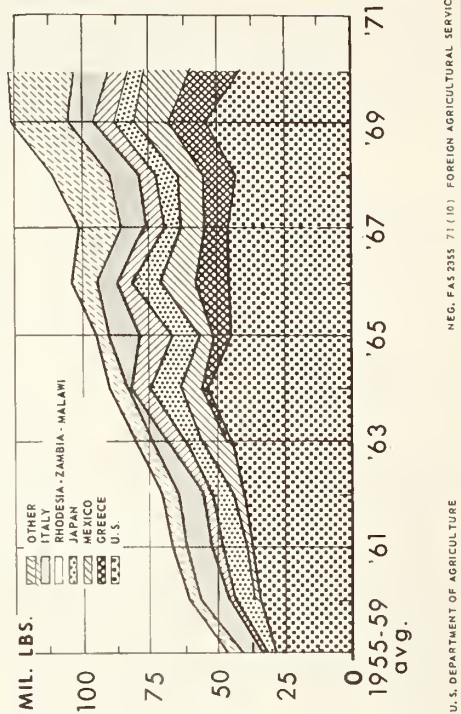
BURLEY TOBACCO: ESTIMATED FREE WORLD PRODUCTION



FREE WORLD EXPORTS OF FLUE-CURED TOBACCO



BURLEY TOBACCO: ESTIMATED FREE WORLD EXPORTS, DECLARED WEIGHT



SEASONALITY OF MANUFACTURED TOBACCO PRODUCTS AND LEAF EXPORTS

by

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ABSTRACT: Tobacco products output and leaf exports vary seasonally. As measured by seasonal indexes using data for 1965-69, cigarette production and taxable removals follow similar patterns. The 2 cigarette series exceed the annual average in May through October excluding the July vacation period. The seasonal low occurs in December and the high in August. Cigar production and taxable removals reach a seasonal high in October, but exceed the average in May and in August through November. Production reaches a low during July and taxable removals a low in December. Smoking tobacco output is highest during the second quarter and lowest during the third. During the third quarter chewing tobacco is at a seasonal high, but snuff output is at a low. Among the series studied, leaf exports vary the most due to farm marketing patterns. Exports reach seasonal highs in the fourth quarter.

KEY WORDS: Tobacco products, tobacco leaf exports, seasonal variation.

Production of tobacco products and exports of tobacco leaf vary according to a regular pattern throughout the year. Measuring the extent and regularity of these annual variations is of interest to policymakers, analysts, production and marketing personnel, and others interested in tobacco products and exports.

Indexes of seasonal variation are a primary method of measuring annual patterns of change. The indexes aid in determining whether activity in a particular month or quarter is rising or falling relative to the preceding periods. For 1965-69 the Bureau of Census method of seasonal adjustment was used to develop indexes of seasonal variation.¹ This method also provides an average measure of the relative importance of seasonal change and other elements that contribute to month-to-month change.

Additionally, the cigarette and cigar monthly data series were adjusted for the number of working days in each month. This procedure is a useful adjustment for monthly series, but has little effect on quarterly series. In general, the trading day adjustment raises the indexes for months with below average number of trading days and lowers those with above average. Irregular factors—such as extra work shifts, overtime, unanticipated plant shutdowns, and strikes—are not reflected in the working day adjustment.

Basic data are from Internal Revenue for cigars and cigarettes, the Consumer and Marketing Service for other products, and the Census Bureau for leaf (unmanufactured tobacco) exports. Taxable removals are used as an indicator of cigarette and cigar consumption. They measure the flow from factories to wholesale channels, including manufacturers' warehouses. If there are no unusual changes in trade inventories, taxable removals measure actual domestic consumption in a quarter or over longer time periods.

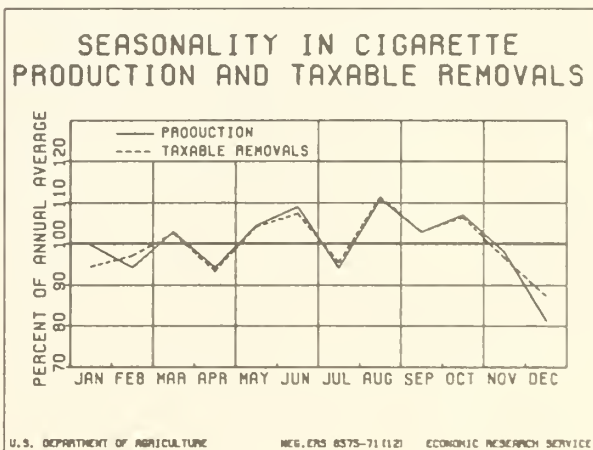
Monthly series are less useful than quarterly series for

projection purposes. Taxable removals account for about 91 percent of cigarette output and 97 percent of U.S. consumption (including overseas forces). Cigar consumption accounts for about 98 percent of production, including those received from Puerto Rico. A stable seasonality at the 1 percent level was indicated by the "F" value for all products and exports except smoking tobacco output.

When the original data are divided by the corresponding seasonal index numbers, the resulting data are said to be seasonally adjusted. Such data still include trend, cycle, and irregular movements. Seasonally adjusted data are a useful tool in forecasting.

Cigarettes

Seasonal patterns of cigarette production and taxable removals are similar. May-October is the high period for both cigarette production and taxable removals, excluding July when factory workers take vacations. Both production and taxable removals drop to a seasonal low during December. During 5 months out of the year, production and taxable removals exceed the seasonal average and are below during the remaining 7 months.



¹ The X-11 Variant of the Census Method II Seasonal Adjustment Program, Tech. Paper No. 15; J. Shiskin, A. H. Young, and J. C. Musgrave, Bureau of Census, 1967.

Variations between monthly peaks and troughs of the seasonal indexes range about 30 percentage points for production and about 23 for taxable removals (annual average=100). Quarterly seasonal indexes tend to average out the shorter term fluctuations and vary much less. The range between peaks and troughs is only about 8 percentage points for production and 7 for taxable removals.

Monthly seasonal indexes of cigarettes and cigars, 1965-69

Month	Cigarettes		Cigars ¹	
	Production	Taxable removals	Production	Taxable removals
January	99.8	94.5	94.6	90.8
February	94.4	97.2	99.7	88.2
March	103.0	102.6	104.8	100.0
April	94.4	93.4	99.7	97.3
May	104.5	104.2	101.5	111.8
June	109.1	107.4	103.0	99.6
July	94.2	95.6	77.6	90.6
August	111.0	111.5	110.9	109.8
September	102.9	102.9	107.3	106.2
October	107.2	106.5	115.5	119.1
November	98.1	96.7	104.9	112.0
December	81.4	87.4	80.4	74.6

¹ Includes cigars received from Puerto Rico.

Movements into retail outlets are probably more uniform than implied by the swing in the monthly seasonal index of taxable removals. The buildup of trade inventories preceding the vacation and holiday periods likely exaggerates seasonal variations in consumption.

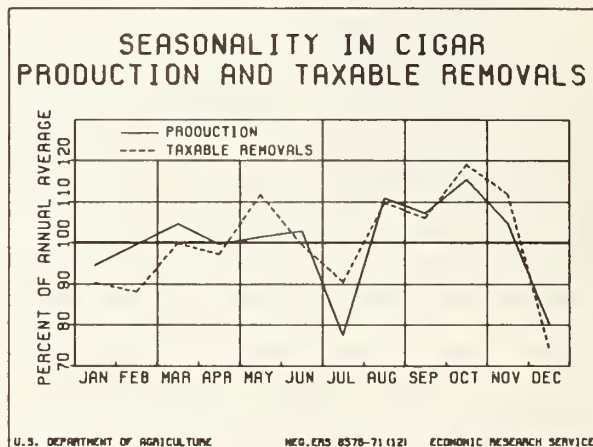
Cigars

Production and taxable removals of cigars vary widely within the calendar year. Both production and taxable removals are above the annual average during May and in August-November. Both production and taxable removals have several peaks and troughs throughout the year.

Seasonal highs for production and taxable removals occur in October preceding the Christmas season. Also, taxable removals are high in May due to movement of cigars into marketing channels prior to the vacation season. Both production and taxable removals decline

during July, and production reaches its seasonal low. However, this is only 3 percentage points below the December trough. Taxable removals reach their seasonal low during December. The range between high and low seasonal indexes is 38 percentage points for production and 45 for taxable removals.

Seasonal indexes vary much less for quarters than for months. The range between high and low quarterly indexes is about 4 percentage points for production and 8 for taxable removals. The third quarter index for production is below the first and second quarter even though the monthly seasonal high occurs in October. Both the seasonal high and low months occur during the third quarter.



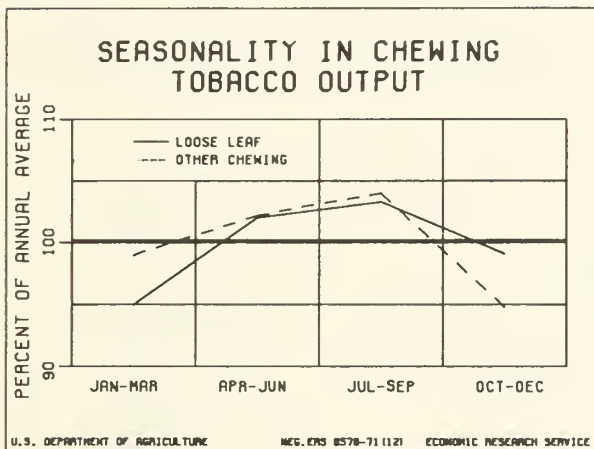
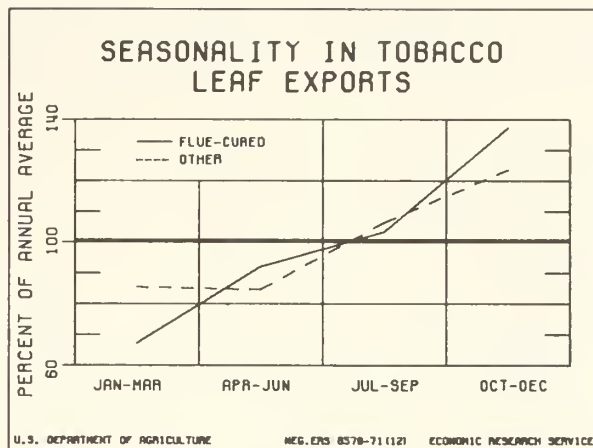
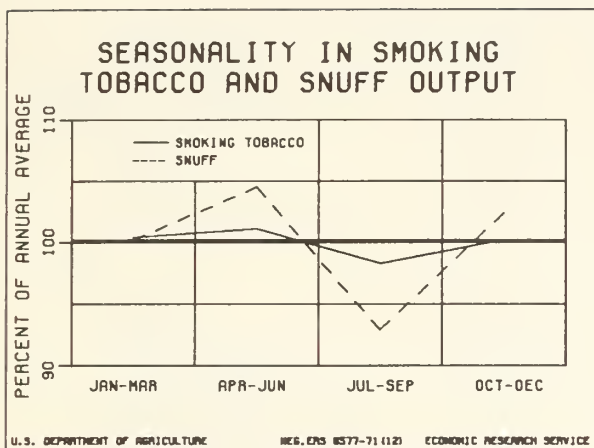
Other Products

Smoking tobacco output is highest during the second quarter and lowest during the third. For loose leaf and plug chewing tobacco, production is greatest during the third quarter, but snuff output is highest in the second. Variation between the highest and lowest quarterly index for smoking tobacco is only 3 percentage points. The range is 7 percentage points for loose leaf chewing, 9 for plug and other chewing, and 11 for snuff.

Quarterly seasonality indexes of tobacco product outlets, 1965-69

Quarter	Cigarettes		Cigars ¹		Smoking tobacco output	Chewing tobacco output		Snuff output
	Production	Tax removals	Production	Tax removals		Loose leaf	Other	
Jan-Mar.	99.7	98.9	100.8	93.6	100.4	95.6	99.0	100.2
Apr.-June	102.6	102.1	101.8	102.8	101.1	102.0	102.2	104.5
July-Sept.	102.7	103.0	98.1	101.9	98.3	103.3	104.0	92.9
Oct.-Dec.	95.0	96.0	99.3	101.7	100.2	99.1	94.8	102.4

¹ Includes cigars received from Puerto Rico.



Flue-cured accounts for about four-fifths of U.S. exports. So total tobacco leaf exports follow closely the flue-cured pattern. The farm marketing season for types other than flue-cured begins later and extends into the succeeding year. Therefore, the seasonal low occurs in the first half for these other types. The second quarter index falls slightly below the first. This primarily reflects burley and fire-cured's farm marketing seasons extending into the first quarter. The first 2 quarters fall below average and the third and fourth rise above.

Quarterly seasonality indexes of tobacco,
leaf, exports, 1965-69

Quarter	Flue-cured	Other	All
Jan.-Mar. . . .	67.2	85.5	72.1
Apr.-June . . .	92.2	84.6	87.4
July-Sept. . . .	103.3	106.4	105.7
Oct.-Dec. . . .	137.3	123.5	134.8

Leaf Exports

Leaf exports exhibit greater seasonal variation than production and domestic use of tobacco products. Exports are more related than output of manufactured products to the highly seasonal farm auction sales. The seasonal index drops to a low during the first quarter and increases to a fourth quarter high. The first and second quarters are below the annual average and the third and fourth above. The range between the high and low is about 63 percentage points—greater than for any of the tobacco products.

Measure of Variation

A measure of variation describes the series being adjusted according to the trend-cycle, seasonal, and irregular components and their relations.

One measure of the series variability is the average percentage change without regard to sign. The variation in the original series is the composite variation of the seasonal, trend-cycle, and irregular variations. The time spans used are 1 month and 1 quarter. As the time span changes, each composite variation will also change. Seasonal influences decrease as the time span increases and by definition will disappear with a time span of 1 year.

Manufactured tobacco products and exports: Relative contribution of specified components to variations

Item	Monthly series				Quarterly series		
	Seasonal ¹	Trend-cycle ²	Irregular ³	Trading day ⁴	Seasonal ¹	Trend-cycle ²	Irregular ³
Cigarettes							
Production	74	(⁵)	7	19	82	4	14
Taxable removals	61	(⁵)	12	27	83	2	15
Cigars							
Production	74	(⁵)	11	15	37	33	30
Taxable removals	76	(⁵)	9	15	79	8	13
Other products output							
Smoking tobacco					22	35	43
Chewing tobacco							
Loose leaf					64	8	28
Plug and other					79	3	18
Snuff					76	0	24
Leaf exports							
All exports					62	3	35
Flue-cured					26	4	70
Other					53	3	44

¹ Variations less than 1 year repeated year after year. ² Relative influence of trends or cycles. ³ Includes all influences other than seasonal, trend-cycle, or trading day. ⁴ Variation due to

differences in number of trading days in the month. ⁵ Less than 0.5 percent.

Selected References

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- (4) Sackrin, S. M., "Seasonality in Production and Taxable Removals of Manufactured Tobacco Products," *Tobacco Situation*, TS-94, Dec. 1960, pp. 51-55.
- (5) Sackrin, S.M., "Seasonal Adjustment of Data Relating to Manufactured Tobacco Products and Leaf Exports," Agr. Mktg. Ser., USDA, AMS-276, 1958, 11 pp.

STATISTICAL SUMMARY

Item	Unit or base period	1970		1971			Last data as percentage of a year earlier
		Oct.	Nov.	Sept.	Oct.	Nov.	
Average price at auctions							
Flue-cured	Ct. per lb.	69.3	66.6	77.4	77.8	75.5	113
Burley	Ct. per lb.	Closed	72.9	C-1-o-s-e-d		78.8	108
Maryland	Ct. per lb.	C-1-o-s-e-d		C-1-o-s-e-d			---
Virginia fire-cured	Ct. per lb.	C-1-o-s-e-d		C-1-o-s-e-d		54.3	---
Ky.-Tenn. fire-cured	Ct. per lb.	C-1-o-s-e-d		C-1-o-s-e-d			---
Ky.-Tenn. dark air-cured	Ct. per lb.	C-1-o-s-e-d		C-1-o-s-e-d			---
Virginia sun-cured	Ct. per lb.	C-1-o-s-e-d		C-1-o-s-e-d		41.1	---
Support price 1/							
Flue-cured	Ct. per lb.		66.6		69.4		104
Burley	Ct. per lb.		68.6		71.5		104
Maryland	Ct. per lb.	No support		No support			---
Virginia fire-cured	Ct. per lb.		46.6		48.5		104
Ky.-Tenn. fire-cured	Ct. per lb.		46.6		48.5		104
Ky.-Tenn. dark air-cured	Ct. per lb.		41.4		43.1		104
Virginia sun-cured	Ct. per lb.		41.4		43.1		104
Connecticut Valley							
cigar binder	Ct. per lb.		47.5		49.5		104
Wis. binder and Ohio filler	Ct. per lb.		34.3		35.8		104
Puerto Rican filler	Ct. per lb.		35.6		37.1		104
Parity index 2/	1967=100	115	115	121	121	121	105
Industrial production index 3/	1967=100	104	103	106	106	107	104
Employment	Mil.	78.9	78.7	79.3	80.1	80.2	102
Personal income 4/	Bil. dol.	813.6	815.7	871.5	872.5	876.0	107
		1970		1971			
		Sept.	Oct.	Aug.	Sept.	Oct.	
Taxable removals							
Cigarettes	Bil.	47.2	50.7	45.6	45.8		97
Cigars and cigarillos	Mil.	721.5	797.6	662.9	680.0		94
Accumulated from Jan. 1							
Cigarettes	Bil.	396.9	447.5	350.4	396.1		100
Cigars and cigarillos	Mil.	5,889.3	6,686.9	5,124.1	5,804.1		99
Invoiced to domestic customers		Jan.-Sept.		Jan.-Sept.			
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.		48.5		46.2		95
Chewing tobacco	Mil. lb.		51.8		54.4		105
Snuff	Mil. lb.		20.2		20.3		101
Tax-exempt removals							
Cigarettes	Bil.	4.3	3.9	6.9	7.2		167
Exports	Bil.	2.2	2.7	4.2	5.8	.8	30
Cigars and cigarillos	Mil.	12.3	13.7	14.8	9.7		79
Accumulated from Jan. 1							
Cigarettes	Bil.	39.7	43.6	34.1	41.3		104
Exports	Bil.	22.1	24.8	22.0	27.7	28.5	115
Cigars and cigarillos	Mil.	117.2	130.9	89.8	99.6		85
Invoiced for export							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.		1.2		1.2		100
Chewing tobacco	Mil. lb.		.2		.1		50
Wholesale price indexes 5/							
Cigarettes (reg. nonfilter)	1967=100	121.1	121.1	119.7	119.7	119.7	99
Cigars	1967=100	106.5	106.6	109.5	109.5	109.5	103
Smoking tobacco	1967=100	118.8	118.8	118.4	118.4	118.4	100
Plug chewing tobacco	1967=100	116.5	116.5	126.4	126.4	126.4	108
Snuff	1967=100	124.8	124.8	138.6	138.6	138.6	111
Consumer price indexes (urban) 6/							
Cigarettes (reg. nonfilter)	1967=100	125.0	125.2	129.6	130.2	130.2	104
Cigarettes (filter tip king)	1967=100	124.9	125.1	129.6	130.8	130.8	105
Cigars (domestic reg. size)	1967=100	105.6	105.5	107.3	108.5	108.7	103
Imports of tobacco							
Cigarette leaf	Mil. lb.	10.5	16.0	13.0	36.0	12.3	77
Cigar tobacco 7/	Mil. lb.	7.4	9.5	10.5	22.3	11.4	120
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	112.0	128.0	98.5	134.4	146.8	115
Cigar tobacco 7/	Mil. lb.	84.4	94.0	78.7	100.9	112.3	120

See footnotes at end of table.

Continued --
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Item	Unit or base period	1970		1971			Last data as percentage of a year earlier
		Sept.	Oct.	Aug.	Sept.	#Oct.	
Exports of leaf tobacco							
(farm-sales weight)							
Flue-cured	Mil. lb.	45.3	54.3	34.3	70.1	3.2	#
Burley	Mil. lb.	5.1	2.8	4.8	7.3	*	#
Maryland	Mil. lb.	1.1	1.5	1.7	2.4	*	#
Virginia fire- & sun-cured	Mil. lb.	.5	.8	.5	1.0	0	#
Ky.-Tenn. fire-cured	Mil. lb.	2.1	2.5	3.5	5.5	*	#
Ky.-Tenn. dark air-cured	Mil. lb.	.1	.1	.1	.1	*	#
Black Fat	Mil. lb.	.3	.3	.2	.4	0	#
Cigar wrapper	Mil. lb.	.1	.1	.5	.5	.1	#
Connecticut binder	Mil. lb.	*	.1	*	*	*	#
Wisconsin binder	Mil. lb.	0	0	0	0	0	#
Accumulated from beginning of marketing year <u>8/</u>							
Flue-cured	Mil. lb.	105.6	159.9	64.4	134.5	137.7	86
Burley	Mil. lb.	58.1		47.1	54.4		94
Maryland	Mil. lb.	12.2		9.5	11.8		97
Virginia fire- & sun-cured	Mil. lb.	5.3		3.9	4.9		92
Ky.-Tenn. fire-cured	Mil. lb.	23.2		21.5	27.0		116
Ky.-Tenn. dark air-cured	Mil. lb.	1.1		1.9	2.0		182
Black Fat	Mil. lb.	2.5		2.2	2.6		104
Cigar wrapper	Mil. lb.	.3	.4	.9	1.4	1.4	350
Connecticut binder	Mil. lb.	.3		.3	.3		100
Wisconsin binder	Mil. lb.	.3		.1	.1		33
Cigar filler	Mil. lb.	.6		.1	.2		33
Exports of manufactured tobacco							
in bulk	Mil. lb.	3.5	3.0	5.1	4.8	.5	17
Accumulated from Jan. 1	Mil. lb.	14.9	17.9	19.1	24.0	24.4	136
Quarterly data							
		1970		1971			
		July-Sept.	Oct.-Dec.	July-Sept.	Oct.-Dec.		
Stocks of tobacco—1st of quarter <u>2/</u>							
Domestic types							
(farm-sales weight)							
Flue-cured	Mil. lb.	1,972	2,410	1,976	2,314		96
Burley	Mil. lb.	1,496	1,343	1,488	1,346		100
Maryland	Mil. lb.	70	62	63	52		84
Fire-cured	Mil. lb.	84	74	78	62		84
Dark air- and sun-cured	Mil. lb.	62	57	56	53		93
Cigar filler	Mil. lb.	143	126	126	110		87
Cigar binder	Mil. lb.	49	42	50	44		105
Cigar wrapper	Mil. lb.	21	25	22	23		92
Under Government loan <u>10/</u>	Mil. lb.	1,230	1,279	1,262	1,264		99
Tobacco sheet <u>11/</u>							
Cigarette types	Mil. lb.	33.2	31.8	30.2	27.1		85
Cigar types	Mil. lb.	1.9	1.5	1.8	1.5		100
Foreign types (farm-sales weight)							
Cigarette and smoking	Mil. lb.	428	406	400	367		90
Cigar	Mil. lb.	105	99	102	102		103
Tobacco outlets <u>12/</u>							
Seasonally adjusted data, annual rates, for charts, p.2							
Cigarettes							
Production	Bil.	588.4	609.6	581.6	548.0		90
Taxable removals	Bil.	536.8	565.2	507.6	520.0		92
Cigar production	Bil.	8.51	8.37	8.10	8.28		99
Smoking production	Mil. lb.	70.7	68.5	54.7	67.6		99
Chewing production							
Loose leaf	Mil. lb.	41.6	38.2	45.5	44.0		115
Plug and other	Mil. lb.	29.7	28.7	27.2	29.2		102
Snuff production	Mil. lb.	28.5	26.7	25.8	26.9		101
Exports of leaf							
Total	Mil. lb.	467.1	648.3	649.6	187.0		# 29
Flue-cured	Mil. lb.	405.7	549.5	516.1	177.0		# 32

1/1970 and 1971 crops respectively. 2/Prices paid by farmers including interest, taxes and wage rates. 3/Seasonally adjusted. 4/Seasonally adjusted, annual rate. 5/Excise tax excluded. 6/Federal and applicable State and local taxes included. 7/Farm-sales weight equivalent. 8/July 1 for flue-cured and cigar wrapper and October 1 for others. 9/Holdings of manufacturers and dealers including grower cooperatives. 10/Reported by grower cooperatives. 11/Weight of tobacco leaf not including stems added. 12/Data for most recent quarter are preliminary estimates. *Less than 50,000 pounds. #October 1971 exports were small because of dock strike. Detail may not add to total due to rounding.

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ANNUAL OUTLOOK CONFERENCE SCHEDULED FOR FEBRUARY 1972

The 50th National Agricultural Outlook Conference will be held next February 22-24, at USDA headquarters in Washington.

Sponsored by the Economic Research Service and the Extension Service, the sessions will focus especially on U.S. farmers and world trade. Topics such as expansion of the European Community, changes in monetary relationships, and agricultural production in developing countries will be explored. Panels will also discuss the agricultural outlook for major commodities. The Tobacco Session is scheduled for 3:30 p.m., February 24.

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DECEMBER 1971